



MINUTES

**Ad Hoc on City Rental Properties
City Council Conference Room
Tenth Floor, City Hall
Thursday, June 17, 2004
12 noon**

Call to Order

The meeting was called to order at 12:11 p.m.

Roll Call

Councilmember Carol Wood, Chair
Councilmember Sandy Allen, Member – Excused Absence
Councilmember Randy Williams, Member

Others Present

Terese Horn, Council Staff
Don Kulhanek, Law Dept.

Approval of Minutes

COUNCILMEMBER WILLIAMS MADE A MOTION TO APPROVE THE MINUTES OF THE APRIL 22 AND 29, 2004, MEETINGS, AS SUBMITTED. MOTION CARRIED, 2-0.

DISCUSSION/ACTION

Information on Rental Properties

Councilmember Wood reviewed past discussions and steps taken by the Committee and explained that the Committee now needs to make a recommendation on a policy for City buildings. She commented on concerns about groups that haven't had the opportunity to occupy a City facility.

The Committee had a round table discussion on what recommendations they would like to submit with respect to a policy. It was the consensus of the Committee to draft a report incorporating the following items to be including in a policy: 1) Question if the group is giving something back to the City - whether it be services or a monetary contribution, 2) Implement a process to determine the amount of time a group should be allowed to use a city facility, 3) Report back to Council on a yearly basis with an analysis on the group; i.e., if they meet the City needs, funding support, and whether or not they are providing a service to the City, 4) Have a review by the Parks Department and have them provide a recommendation on the fair rate for facilities.

It was the consensus of the Committee to have Councilmember Wood draft a report on the policy and provide it to the committee members for their review.

Staff is to check on the timeframe that the report is to be submitted to the full Council, as agreed upon in the Council Budget meeting.

ADJOURN

The meeting was adjourned at 12:30 p.m.

Respectfully Submitted,
Terese Horn
Administrative Secretary

Lansing City Council

Approved by the Committee, _____

Appropriate documents attached to original set of minutes.



AGENDA

**Ad Hoc Committee on City Rental Properties
City Council Conference Room
Tenth Floor, City Hall
Thursday, June 17, 2004
12:00 noon**

**Councilmember Carol Wood, Chair
Councilmember Sandy Allen, Member
Councilmember Randy Williams, Member**

I. Call to Order

II. Roll Call

III. DISCUSSION/ACTION

▪ Information

IV. Other

V. Adjourn



DEPARTMENT OF PLANNING AND NEIGHBORHOOD DEVELOPMENT

316 N. CAPITOL AVENUE • SUITE D-1 • LANSING, MI 48933-1236
(517) 483-4066 • FAX: (517) 483-6036

PLANNING OFFICE

Lansing City Council

April 1, 2004

APR 02 2004

Ms. Nancy Parsons, President
Eastside Neighborhood Organization
430 N. Fairview
Lansing, MI 48912

RECEIVED

Dear Ms. Parsons:

The purpose of this letter is to update you as to the City's progress relative to the issues raised in your letter to Joan Bauer dated February 9, 2004. The Planning & Neighborhood Development Department and the City's Law Office have been conducting research and preparing information on these various issues. What follows is a list of what has or is currently being accomplished:

- A preliminary packet of information has been prepared to submit to area realtors advising them of our requirements for rental registrations and housing & zoning code requirements for property maintenance, parking and noise. This packet is currently being reviewed by the City Code Compliance Office for their input.
- The Planning Office and the Law Office have reviewed and analyzed the City of East Lansing's Code restricting student housing. We are currently in the process of determining the impact of a similar code restriction on the City of Lansing as well as other alternatives.
- The Law Office is preparing a written analysis of the laws surrounding the restriction of rental housing as well as the other matters brought forth in your letter.
- These issues have been and continue to be a topic of discussion at the Mayor's Community Government initiative, which is scheduled to meet next on April 26, 2004 at 10:00 a.m. in the 9th Floor Conference Room at City Hall. You are welcome to attend.
- These issues will also be a topic of discussion at an upcoming meeting of the City Council Public Safety Committee scheduled for April 21, 2004 at 4:00 p.m. in the 10th Floor, City Council Conference Room. You are also welcome to attend this meeting.

Ms. Nancy Parsons

April 1, 2004

Page 2

We will continue to keep you updated as more progress is made. As it currently stands, most of the information that has been prepared is still in draft form and has not been reviewed by the Council or Mayor's Office. Once this information becomes more finalized, we will be sending it to you as part of a formal response to your letter.

Thank you and if you have any questions, please do not hesitate to contact me at 483-4085.

Sincerely,



Susan Stachowiak
Zoning Administrator

cc: Jim Ruff, PND Director
Jack Robert, Acting City Attorney
Mark Linton, Assistant City Attorney
Joan Bauer, Council President
Harold Leeman, Councilman ✓
David Wiener, Executive Assistant to the Mayor
Linda Sanchez, Chief of Staff
Deborah DeLeon, Special Assistant to the Mayor
Mark Alley, Chief of Police
Eleanor Love, Code Compliance Manager
Doris Witherspoon, Senior Planner



DEPARTMENT OF PLANNING AND NEIGHBORHOOD DEVELOPMENT

316 N. CAPITOL AVENUE • SUITE D-1 • LANSING, MI 48933-1236
(517) 483-4066 • FAX: (517) 483-6036

PLANNING OFFICE

April 1, 2004

Ms. Nancy Parsons, President
Eastside Neighborhood Organization
430 N. Fairview
Lansing, MI 48912

Post-It® brand fax transmittal memo 7671		# of pages > 2
To: <i>TERESA</i>	From: <i>Jana Rume</i>	
Cn: <i>AS REQUESTED</i>	Co:	
Dept:	Phone # <i>4068</i>	
Fax # <i>7630</i>	FAX #	

Dear Ms. Parsons:

The purpose of this letter is to update you as to the City's progress relative to the issues raised in your letter to Joan Bauer dated February 9, 2004. The Planning & Neighborhood Development Department and the City's Law Office have been conducting research and preparing information on these various issues. What follows is a list of what has or is currently being accomplished:

- A preliminary packet of information has been prepared to submit to area realtors advising them of our requirements for rental registrations and housing & zoning code requirements for property maintenance, parking and noise. This packet is currently being reviewed by the City Code Compliance Office for their input.
- The Planning Office and the Law Office have reviewed and analyzed the City of East Lansing's Code restricting student housing. We are currently in the process of determining the impact of a similar code restriction on the City of Lansing as well as other alternatives.
- The Law Office is preparing a written analysis of the laws surrounding the restriction of rental housing as well as the other matters brought forth in your letter.
- These issues have been and continue to be a topic of discussion at the Mayor's Community Government initiative, which is scheduled to meet next on April 26, 2004 at 10:00 a.m. in the 9th Floor Conference Room at City Hall. You are welcome to attend.
- These issues will also be a topic of discussion at an upcoming meeting of the City Council Public Safety Committee scheduled for April 21, 2004 at 4:00 p.m. in the 10th Floor, City Council Conference Room. You are also welcome to attend this meeting.

Ms. Nancy Parsons
April 1, 2004
Page 2

We will continue to keep you updated as more progress is made. As it currently stands, most of the information that has been prepared is still in draft form and has not been reviewed by the Council or Mayor's Office. Once this information becomes more finalized, we will be sending it to you as part of a formal response to your letter.

Thank you and if you have any questions, please do not hesitate to contact me at 483-4085.

Sincerely,



Susan Stachewiak
Zoning Administrator

cc: Jim Ruff, PND Director ✓
Jack Robert, Acting City Attorney
Mark Linton, Assistant City Attorney
Joan Bauer, Council President
Harold Leeman, Councilman
David Wiener, Executive Assistant to the Mayor
Linda Sanchez, Chief of Staff
Deborah DeLeon, Special Assistant to the Mayor
Mark Alley, Chief of Police
Eleanor Love, Code Compliance Manager
Doris Witherspoon, Senior Planner



DEPARTMENT OF PLANNING AND NEIGHBORHOOD DEVELOPMENT

316 N. CAPITOL AVENUE • SUITE D-1 • LANSING, MI 48933-1236
(517) 483-4066 • FAX: (517) 483-6036

PLANNING OFFICE

Lansing City Council

April 1, 2004

APR 02 2004

Ms. Nancy Parsons, President
Eastside Neighborhood Organization
430 N. Fairview
Lansing, MI 48912

RECEIVED

Dear Ms. Parsons:

The purpose of this letter is to update you as to the City's progress relative to the issues raised in your letter to Joan Bauer dated February 9, 2004. The Planning & Neighborhood Development Department and the City's Law Office have been conducting research and preparing information on these various issues. What follows is a list of what has or is currently being accomplished:

- A preliminary packet of information has been prepared to submit to area realtors advising them of our requirements for rental registrations and housing & zoning code requirements for property maintenance, parking and noise. This packet is currently being reviewed by the City Code Compliance Office for their input.
- The Planning Office and the Law Office have reviewed and analyzed the City of East Lansing's Code restricting student housing. We are currently in the process of determining the impact of a similar code restriction on the City of Lansing as well as other alternatives.
- The Law Office is preparing a written analysis of the laws surrounding the restriction of rental housing as well as the other matters brought forth in your letter.
- These issues have been and continue to be a topic of discussion at the Mayor's Community Government initiative, which is scheduled to meet next on April 26, 2004 at 10:00 a.m. in the 9th Floor Conference Room at City Hall. You are welcome to attend.
- These issues will also be a topic of discussion at an upcoming meeting of the City Council Public Safety Committee scheduled for April 21, 2004 at 4:00 p.m. in the 10th Floor, City Council Conference Room. You are also welcome to attend this meeting.

Ms. Nancy Parsons
April 1, 2004
Page 2

We will continue to keep you updated as more progress is made. As it currently stands, most of the information that has been prepared is still in draft form and has not been reviewed by the Council or Mayor's Office. Once this information becomes more finalized, we will be sending it to you as part of a formal response to your letter.

Thank you and if you have any questions, please do not hesitate to contact me at 483-4085.

Sincerely,



Susan Stachowiak
Zoning Administrator

cc: Jim Ruff, PND Director
Jack Robert, Acting City Attorney
Mark Linton, Assistant City Attorney
Joan Bauer, Council President
Harold Leeman, Councilman ✓
David Wiener, Executive Assistant to the Mayor
Linda Sanchez, Chief of Staff
Deborah DeLeon, Special Assistant to the Mayor
Mark Alley, Chief of Police
Eleanor Love, Code Compliance Manager
Doris Witherspoon, Senior Planner



DEPARTMENT OF PLANNING AND NEIGHBORHOOD DEVELOPMENT

316 N. CAPITOL AVENUE • SUITE D-1 • LANSING, MI 48933-1236
(517) 483-4066 • FAX: (517) 483-6036

PLANNING OFFICE

Lansing City Council

April 1, 2004

APR 02 2004

Ms. Nancy Parsons, President
Eastside Neighborhood Organization
430 N. Fairview
Lansing, MI 48912

RECEIVED

Dear Ms. Parsons:

The purpose of this letter is to update you as to the City's progress relative to the issues raised in your letter to Joan Bauer dated February 9, 2004. The Planning & Neighborhood Development Department and the City's Law Office have been conducting research and preparing information on these various issues. What follows is a list of what has or is currently being accomplished:

- A preliminary packet of information has been prepared to submit to area realtors advising them of our requirements for rental registrations and housing & zoning code requirements for property maintenance, parking and noise. This packet is currently being reviewed by the City Code Compliance Office for their input.
- The Planning Office and the Law Office have reviewed and analyzed the City of East Lansing's Code restricting student housing. We are currently in the process of determining the impact of a similar code restriction on the City of Lansing as well as other alternatives.
- The Law Office is preparing a written analysis of the laws surrounding the restriction of rental housing as well as the other matters brought forth in your letter.
- These issues have been and continue to be a topic of discussion at the Mayor's Community Government initiative, which is scheduled to meet next on April 26, 2004 at 10:00 a.m. in the 9th Floor Conference Room at City Hall. You are welcome to attend.
- These issues will also be a topic of discussion at an upcoming meeting of the City Council Public Safety Committee scheduled for April 21, 2004 at 4:00 p.m. in the 10th Floor, City Council Conference Room. You are also welcome to attend this meeting.

Ms. Nancy Parsons
April 1, 2004
Page 2

We will continue to keep you updated as more progress is made. As it currently stands, most of the information that has been prepared is still in draft form and has not been reviewed by the Council or Mayor's Office. Once this information becomes more finalized, we will be sending it to you as part of a formal response to your letter.

Thank you and if you have any questions, please do not hesitate to contact me at 483-4085.

Sincerely,



Susan Stachowiak
Zoning Administrator

cc: Jim Ruff, PND Director
Jack Robert, Acting City Attorney
Mark Linton, Assistant City Attorney
Joan Bauer, Council President
Harold Leeman, Councilman ✓
David Wiener, Executive Assistant to the Mayor
Linda Sanchez, Chief of Staff
Deborah DeLeon, Special Assistant to the Mayor
Mark Alley, Chief of Police
Eleanor Love, Code Compliance Manager
Doris Witherspoon, Senior Planner



DEPARTMENT OF PLANNING AND NEIGHBORHOOD DEVELOPMENT

316 N. CAPITOL AVENUE • SUITE D-1 • LANSING, MI 48933-1236
(517) 483-4066 • FAX: (517) 483-6036

PLANNING OFFICE

Lansing City Council

April 1, 2004

APR 02 2004

Ms. Nancy Parsons, President
Eastside Neighborhood Organization
430 N. Fairview
Lansing, MI 48912

RECEIVED

Dear Ms. Parsons:

The purpose of this letter is to update you as to the City's progress relative to the issues raised in your letter to Joan Bauer dated February 9, 2004. The Planning & Neighborhood Development Department and the City's Law Office have been conducting research and preparing information on these various issues. What follows is a list of what has or is currently being accomplished:

- A preliminary packet of information has been prepared to submit to area realtors advising them of our requirements for rental registrations and housing & zoning code requirements for property maintenance, parking and noise. This packet is currently being reviewed by the City Code Compliance Office for their input.
- The Planning Office and the Law Office have reviewed and analyzed the City of East Lansing's Code restricting student housing. We are currently in the process of determining the impact of a similar code restriction on the City of Lansing as well as other alternatives.
- The Law Office is preparing a written analysis of the laws surrounding the restriction of rental housing as well as the other matters brought forth in your letter.
- These issues have been and continue to be a topic of discussion at the Mayor's Community Government initiative, which is scheduled to meet next on April 26, 2004 at 10:00 a.m. in the 9th Floor Conference Room at City Hall. You are welcome to attend.
- These issues will also be a topic of discussion at an upcoming meeting of the City Council Public Safety Committee scheduled for April 21, 2004 at 4:00 p.m. in the 10th Floor, City Council Conference Room. You are also welcome to attend this meeting.

Ms. Nancy Parsons

April 1, 2004

Page 2

We will continue to keep you updated as more progress is made. As it currently stands, most of the information that has been prepared is still in draft form and has not been reviewed by the Council or Mayor's Office. Once this information becomes more finalized, we will be sending it to you as part of a formal response to your letter.

Thank you and if you have any questions, please do not hesitate to contact me at 483-4085.

Sincerely,



Susan Stachowiak
Zoning Administrator

cc: Jim Ruff, PND Director
Jack Robert, Acting City Attorney
Mark Linton, Assistant City Attorney
Joan Bauer, Council President
Harold Leeman, Councilman ✓
David Wiener, Executive Assistant to the Mayor
Linda Sanchez, Chief of Staff
Deborah DeLeon, Special Assistant to the Mayor
Mark Alley, Chief of Police
Eleanor Love, Code Compliance Manager
Doris Witherspoon, Senior Planner

87

205

Liber 2658 Page 66
Rcpt No 96672
MISC 2.00
MISC 87.00
Total 89.00
RECORDED
960048790
09/24/1998 15:37:24
REGISTER OF DEEDS
Paula Johnson
INGHAM COUNTY, MI

BUSINESS PROPERTY LEASE

THIS LEASE, made as of the 10th day of June, 1998, by and between
Prudden Investment Company, LLC (hereinafter referred to as "Landlord") and City of
Lansing, a Michigan municipal corporation, (hereinafter referred to as "Tenant").

WITNESSETH

ARTICLE I - BASIC TERMS AND CONDITIONS

1.01 (A) Address of Landlord: Prudden Investment Company, LLC
c/o Mr. Harry H. Hepler
113 Pere Marquette
Lansing, MI 48912
Phone: (517) 482-9911
Fax: (517) 482-9912

or such other address and fax number as may from time to time be designated by
Landlord in writing.

(B) Address of Tenant: City of Lansing
c/o Capt. Rick Cook
Lansing Police Department
120 W. Michigan, 5th Floor
Lansing, MI 48933
Phone: (517) 483-4660
Fax: (517) 377-0035

or such other address and fax number as may from time to time be designated by
Tenant in writing.

185

- (C) Building: The land, improvements and appurtenances, approximately 13 acres, located at 725 East Saginaw, Lansing, Michigan. (Exhibit D.)
- (D) Term: The Lease term shall be a period of Ten (10) years, commencing nine (9) calendar months from the execution of this Lease or within 15 days after a Certificate of Occupancy (temporary or final) is issued for the completed improvements as contained in Exhibit A attached hereto, whichever occurs later (the "Commencement Date") and expiring Ten (10) years after the Commencement Date (the "Lease Term") unless terminated sooner as set forth herein.

Tenant shall have two ten (10) year options to renew this lease according to the terms and conditions contained herein at the rental then in effect and subject to CPI adjustment as calculated according to provision 7.01(C).

- (E) Premises: Approximately 17,264 net rentable square feet used for general office space and an additional 6,746 net rentable square feet of gymnasium, according to the attached Exhibit B and 150 outdoor parking spaces that Landlord shall reserve and designate for Tenant. Said office space and reserved parking are herein referred to as the "Premises".
- (F) Rent: All sums, moneys or payments required to be paid by Tenant to Landlord pursuant to the rent provisions of this Lease (the "Rent").
- (G) Permitted Use: Tenant shall be permitted to use the Premises in any manner which is consistent with its governmental functions, including but not limited to use as a Northside Police Precinct, and all uses reasonably and customarily associated with such use.
- (H) Broker: None.
- (I) Project: Other land, improvements and appurtenances located adjacent to the Building and owned by Landlord that are now in existence or are hereafter constructed (the "Project").

The Project includes additional offices and residential components of which the Premises is a part. Landlord agrees to complete construction within five (5) years from the date this Lease is executed of 100,000 square feet of office and residential use in the Project. Completed construction means that the office and residential space is ready for occupancy. Such construction shall not unreasonably interfere with or disturb Tenant's access to or quiet enjoyment of the Premises.

- (J) "Hazardous Substance" means: Any substance that is toxic, ignitable, reactive or corrosive and that is regulated by any local government, the State of Michigan, or the United States Government. "Hazardous Substance" includes any and all materials or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), and petroleum. Landlord has a BEA determination from the State of Michigan for the Premises and the Project.

ARTICLE II - CONSTRUCTION OF PREMISES

- X 2.01 Landlord will construct, or cause to be constructed, the Premises as shown on Exhibit A and in accordance with the approved Construction Plans pursuant to this Article, on or before nine (9) calendar months from the execution of this Lease. Landlord's work shall be deemed approved by Tenant in all respects, except for items of Landlord's work which are not completed or do not conform to the approved Construction Plans, or as to which Tenant shall have given notice to Landlord within forty-five (45) days after the commencement date. Any disagreement which may arise between Landlord and Tenant with reference to the work to be performed pursuant to the approved Construction Plans or whether such work has been properly completed, shall be resolved by the decision of an architect or engineer acceptable to both Landlord and Tenant.

- 2.02 Premises Construction Plans. As promptly as possible after the execution of this Lease, but in any event not later than forty-five (45) days thereafter, the Landlord shall submit, or cause to be submitted to the Tenant (to the Lansing Police Department "LPD" and City Building Safety Office), for approval, the final detailed plans and specifications and related documents and final construction schedule for the Premises (which plans and specifications and related documents and schedule, together with any and all changes therein that may thereafter be made and submitted to the City as herein provided, are, except as otherwise clearly indicated by the context, hereinafter collectively called "Construction Plans").

The Construction Plans shall not be materially inconsistent with Exhibit A and all applicable federal, state and local laws and regulations and must be agreeable to the Tenant as providing the Premises of the materials, quality, configuration and amenities as represented by the Landlord before the execution of this Lease. The Construction Plans shall be sealed by a registered architect or engineer. If the Construction Plans submitted are agreeable to the Tenant, the City shall approve in writing such Construction Plans and no further filing by the Landlord or approval of the Construction Plans by LPD and the City Building Safety Office shall be required, except with respect to any material change. For purposes of this Lease, the phrase "material change" refers to any changes in intended

For purposes of this Lease, the phrase "material change" refers to any changes in intended design or exterior materials, and any changes in the engineer's or architect's plans and specifications as may be required by the City of Lansing pursuant to the Uniform Building Code. If the parties cannot agree on the Construction Plans on or before July 13, 1998, then either party may cancel this Lease upon written notification to the other.

After the initial filing of the Construction Plans, LPD and Building Safety Office shall in writing approve or reject the Construction Plans within fifteen (15) business days after the date of receipt. If the Construction Plans are rejected by the Tenant in whole or in part as not being in conformity with this Lease, as provided above, and/or the Uniform Building Code, the City shall set forth in writing the specific reason(s) for rejection and Landlord shall submit new or corrected Construction Plans which are in conformity with the agreement within fifteen (15) business days after receipt of the written notification to Landlord of the rejections. The provisions of this section relating to approval, rejection and re-submission of corrected Construction Plans hereinabove provided with respect to the original Construction Plans shall continue to apply until the Construction Plans have been approved by LPD and City Building Safety Office or until and unless the Lease is cancelled as provided in this provision. After the initial Construction Plan submission, the City shall respond in writing within ten (10) business days. All work with respect to the improvements to be constructed or provided by the Landlord for the Premises shall be in substantial conformity with the Construction Plans as approved by LPD and City Building Safety Office. The term "improvements," as used in this Lease, shall be deemed to have reference to the improvements as provided and specified in the Construction Plans as so approved.

- 2.03 If the Landlord desires to make any material change in the Construction Plans for the premises after their approval by LPD and City Building Safety Office, the Landlord shall submit the proposed change to LPD and City Building Safety Office for their approval in the same manner as provided in section 2.02, except that after the initial Construction Plan submission, the City shall respond in writing within (10) business days.
- 2.04 Landlord shall be excused for the period of any delay in the performance of any obligations hereunder or non-performance of any such obligations or covenants of this Lease, when prevented from so doing by cause beyond Landlord's control, which shall include all labor disputes, civil commotion, war, warlike operations, governmental regulations or controls, administrative hearings or judicial litigation including any adverse findings, orders, verdicts or judgments therein, fire or other casualty, inability to obtain any material, services, or through acts of God.
- 2.05 Notwithstanding provision 1.01(D), in the event Landlord fails to deliver possession of the completely constructed Premises on or before December 31, 1999 because the Premises are not then ready for occupancy, Tenant may thereafter, at its sole option, terminate this Lease at anytime upon written notice to Landlord. Said option to terminate shall continue until Landlord shall comply with said construction and a Certificate of

Occupancy is issued for the Premises, at which time the Tenant's option to terminate shall expire, if it has not been exercised.

ARTICLE III - GRANT AND TERM

- 3.01 In consideration of the rents, covenants, agreements and conditions herein provided to be paid, kept, performed and observed, Landlord leases to Tenant and the Tenant hereby hires from Landlord the Premises.
- 3.02 Tenant shall have and hold the Premises for and during the Lease Term subject to the payment of the Rent and to the full and timely performance by Tenant of the covenants and conditions hereinafter set forth. Tenant shall have access to and possession of the Premises twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year.
- 3.03 Subject to Landlord's mortgages, Landlord covenants and agrees that Tenant shall, contingent upon Tenant's full compliance with the terms and conditions of this Lease, quietly and peaceably hold, possess and enjoy the Premises in accordance with the terms hereof for the full Term of this Lease without interference or hindrance from Landlord or any person claiming by, through or under Landlord, and Landlord will defend the title to the Premises and the use, possession and occupancy of the same by Tenant against the lawful claims of all persons whomsoever, except those claiming by, through or under Tenant.
- 3.04 Landlord shall deliver possession of the Premises in the condition required by this Lease on or before the Commencement Date. The Rent shall commence on the first day of the Term. Should the commencement of the Rent obligations of Tenant under this Lease occur on a day other than the first day of a calendar month, then in that event solely for the purpose of computing the Term of this Lease, the Commencement Date of the Term shall become and be the first day of the first calendar month following the date when Tenant's Rent obligation commences and the Termination Date shall be adjusted accordingly; provided, however, that the Termination Date shall be the last day of a calendar month, which date shall in no event be earlier than the Termination Date set out in Provision 1.01(D)./Immediately after Tenant's occupancy of the Premises, the Landlord and Tenant shall execute a ratification statement, which shall set forth the actual Commencement Date and Termination Date./

ARTICLE IV - RESERVATIONS BY LANDLORD

- 4.01 Landlord excepts and reserves the roof, exterior walls of the Building and/or the Project, and further reserves the right to place, install, maintain, carry through, repair and replace such utility lines, pipes, wires, appliances, tunneling and the like in, over, through and upon the Premises as may be reasonably necessary or advisable for the servicing of the Premises or any other portions of the Building or the Project.
- 4.02 Except as provided in Article II, Landlord reserves the right, without invalidating this Lease to from time to time: (1) make alterations, changes and additions to the Building and other improvements in the Project, (2) add additional areas to the Project and/or exclude areas therefrom, (3) construct additional buildings and other improvements in the Project, (4) remove or relocate the whole or any part of any Building or other improvement in the Project except the Premises, and (5) relocate any other tenant in the Project. It is further understood that, except as provided in Article II, the existing layout of the buildings, walks, roadways, parking areas, entrances, exits, and other improvements shall not be deemed to be a warranty, representation or agreement on the part of the Landlord that the Project will remain exactly as presently built, it being understood and agreed that Landlord may change the number, dimensions and locations of the walks, buildings and parking spaces as Landlord shall deem proper. Any proposed changes affecting Tenant are subject to prior agreement in writing by the parties.

ARTICLE V - USE

- 5.01 The Premises hereby leased shall be used by Tenant only for the purposes set forth in Provision 1.01(G) and for no other purposes. Tenant shall, at Tenant's expense, promptly comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Lease Term or any part of the Lease Term hereof regulating the use by Tenant of the Premises. Tenant shall not use or permit the use of the Premises in any manner that will tend to create waste or a nuisance, or will tend to unreasonably disturb other tenants in the Building or the Project except as is normal and customary to Tenant's use purpose. Tenant shall not construct or use the Premises as a detention facility for prisoner lockup.
- 5.02 Tenant shall not do or suffer any waste or damage, disfigurements or injury to the Premises or any improvement now or hereafter on the Premises, or the fixtures and equipment thereof, or permit or suffer any overloading of the floors thereof.

Except as customarily part of or reasonably associated with Tenant's permitted use of the Premises, Tenant shall not cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in the Premises by Tenant, Tenant's agents, employees, contractors or invitees. Notwithstanding the foregoing, the levels of any Hazardous

Substance shall not exceed legal limits under any applicable federal, state or local environmental law. Without limitation of the foregoing, if Tenant causes or permits the presence of any Hazardous Substance on the Premises and that results in contamination, Tenant shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such Hazardous Substance on the Premises. Tenant shall first obtain Landlord's approval for any such remedial action.

ARTICLE VI - RENT

6.01 Subject to the provisions for adjustment hereinafter set forth, Tenant hereby agrees to pay, without deduction or offset, Rent in the amount as specified below. Such Rent shall be payable in monthly installments, in advance, on the first day of each calendar month during the Term hereof.

(A) On the Commencement Date or if the Landlord has a draw mortgage, then in the manner provided in Provision 6.02, as a contribution towards capital improvements, the sum of Four Hundred Thousand Dollars (\$400,000).

(B)	<u>Monthly Rent</u>	<u>Square Feet</u>	<u>\$ Per Square Feet</u>
	\$19,808.00	24,010	\$9.90

All payments of Rent shall be paid to the Landlord in lawful money of the United States of America at the address of Landlord shown herein, or to such other party or at such other place as Landlord may designate unequivocally from time to time in a written notice to Tenant. In the event Rent due on the first of the month is not paid by the tenth of the month, it shall bear interest at the rate of five percent (5%) per annum from the tenth of the month until paid.

(C) Cost of Living Adjustments. On every yearly anniversary of the Commencement Date of this Lease (if the Commencement Date is other than the first day of the month, then the anniversary shall be the first day of the first full month of this Lease, provided this Lease is still in effect), the minimum monthly rental as specified for the one (1) year period then beginning shall be adjusted upward over the preceding one (1) year period. This shall apply also to any extension periods.

Said Lease rental adjustment increase shall not exceed Two and one-half (2.5%) or one-half (1/2) of the annual increase in the Consumer Price Index (CPI), whichever is the highest figure. But in no event will the adjustment exceed five percent (5%) for any one year period. The adjustment shall be made by reference to the U.S. Department of Labor Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, U.S. City Average of All Items and Commodity Groups (1982-1984=100).

If said Index for the Third (3rd) month prior to the one (1) year term then beginning shall exceed the index for the third (3rd) month prior to the one (1) year term just completed, then said monthly minimum rental specified for the one (1) year term then beginning shall be adjusted upward proportionately over the prior minimum monthly rental rate of the one year term just completed beginning with the first month and remain at this level for the remainder of said one (1) year term just beginning.

The said Index is published after the fact. Due to the time delay notice of increase may be a few months after the Lease anniversary has past. Tenant agrees to pay in a lump sum the increase for any months past upon demand. Lack of notice to Tenant of minimum rent increase does not release the Tenant of its obligation to pay the same upon demand.

If said Index shall no longer be published then its successor Index as adjusted to the period involved shall be substituted. If there shall be no substitute Index published by the US Government, then another index generally recognized as accurately reflecting the purchasing power of the USA dollar shall be substituted by an agreement between the parties hereto and if the parties shall not agree, such substituted Index shall be selected by the then presiding judge of the Circuit Court of the State of Michigan in and for the County of Ingham upon the application of either party, or a qualified member of the AAA selected jointly by the parties.

Once the monthly minimum rental is increased as provided therein, it shall not be subsequently decreased.

- 6.02 In the event Landlord has a draw mortgage or other instrument of indebtedness with a financial institution ("construction mortgage"), to finance in whole or in part the construction of the improvements to the Premises as provided in Article II of this Lease, Tenant shall within ten (10) days of the approval of the Construction Plans pay its contribution towards capital improvements under Provision 6.01(A) (the "Funds") into an escrow account with said financial institution. The Funds so escrowed shall be subject to an escrow agreement between the Landlord and the financial institution, which must be first approved as to form by the Lansing City Attorney, whereby the Funds shall be paid out with the draws of the construction mortgage in the same fractional proportion as the draws of the mortgage bear to the total construction mortgage. Notwithstanding this Provision, Tenant's obligation to Landlord to pay the Funds shall be completed when the Funds are paid into the escrow account.

ARTICLE VII - UTILITIES AND SERVICES

- 7.01 Tenant shall pay all charges for electricity, gas, water, fuel, sewer, janitorial, light bulb replacement, trash collection, telephone, and any other services and shall be responsible for utilities used in, servicing or assessed against the Premises, including Tenant's pro rata share of stormwater utility fees. To the extent possible, tenants utilities shall be separately metered.
- 7.02 Landlord shall be responsible for and obligated to provide without additional charge or Rent to Tenant snow removal, lawn care, parking lot lighting and repairs, and real estate taxes and special assessments. At Landlord's sole cost and expense, the Building and Premises constructed by the Landlord shall comply with Title III of the American with Disabilities Act.

ARTICLE VIII - ASSIGNMENT AND SUBLETTING

- 8.01 Tenant shall not assign or hypothecate this Lease nor sublet or otherwise transfer its interest in all or any part of the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. If Tenant wishes to assign this Lease or sublet all or any part of the Premises, it shall give notice in writing of such intention to Landlord, furnishing Landlord with a copy of the proposed assignment or sublease document and full information as to the identity and financial status of the proposed assignee or subtenant. Thereupon, Landlord shall have thirty (30) days from such notice to reject in writing such assignment or subletting and if not so rejected, it shall be deemed approved. Notwithstanding any assignment or sublease, Tenant shall remain liable under this Lease and shall not be released without the express written agreement of Landlord except as provided in this Provision. If a subletting is so approved and the rents under such a sublease are greater than the rents provided for herein, then Landlord shall have the further option for the period of thirty (30) days from the approval, by giving written notice to Tenant to either (1) convert the sublease into a prime lease and receive all of the rents, in which case this Lease shall be deemed terminated as to the sublet space and Tenant will be relieved of further liability hereunder with regard thereto; or (2) if not so converted in writing, require Tenant to remain liable under this Lease at the rental rate provided for in this Lease. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting.

ARTICLE IX - DAMAGE OR DESTRUCTION

- 9.01 Insurance Premiums. Landlord shall carry in full force and effect at all times during the term of this Lease or any renewal or extension thereof, fire and extended coverage insurance covering the Premises in an amount equal to the replacement value of the Premises. Landlord shall furnish Tenant evidence of such insurance coverage and such insurance policies may not be modified or terminated without fifteen (15) days advance notice to Tenant.
- 9.02 If the Premises shall be damaged during the Term of this Lease to the extent of fifty percent (50%) or more of the cost of replacement of the Premises, or damaged by any uninsured casualty, then either party shall have the right to terminate this Lease by giving written notice thereof to the other party within ninety (90) days after such damage or destruction. If neither party so terminates, then the Lease shall continue and the Premises shall be rebuilt as provided in this Article.
- 9.03 If the Premises shall be damaged during the term of this Lease to the extent of less than fifty percent (50%) of the cost of replacement by fire or other casualty covered by Landlord's policy of fire and extended coverage insurance, then upon notice by Landlord to Tenant given not more than Thirty (30) days after the date Landlord receives the insurance settlement, the Landlord shall restore the Premises to substantially the same condition it was in prior to the casualty, provided however, and excepting, that if such an event occurs during the last two (2) years of this Lease, then Landlord shall have the option to: (1) rebuild, but does not agree to do so unless Tenant, within thirty (30) days after receipt of the insurance settlement by Landlord enters into renewal of this Lease on agreed terms and conditions with the renewal Lease to commence upon the date of completion of such rebuilding, or (2) rebuild; or either party may terminate this Lease by written notice to the other party given not more than thirty (30) days after the date Landlord receives its insurance settlement. Landlord agrees to notify Tenant forthwith on receipt of such insurance settlement.
- 9.04 If the Lease is not terminated as provided in Provision 9.02 and 9.03, Landlord shall rebuild, repair or restore the Premises to as near the condition as it was prior to the casualty as is reasonably possible, exclusive of any improvements or other changes made to the Premises by the Tenant and after completion of such work by Landlord, Tenant shall promptly commence and diligently proceed at its sole cost and expense to rebuild, repair, restore and replace its leasehold improvements, fixtures, equipment, furnishings and merchandise.
- 9.05 Tenant shall continue the operation of its business in the Premises to the extent it is practicable, reasonable and safe, during any period of reconstruction, restoration or repair of the Premises under this Article. During any period of reconstruction, restoration or repair of the Premises under this Article, Rent shall be abated proportionately to the portion of the Premises which is untenable, unusable or for which there is a substantial

interference with the operation of the business of Tenant in the Premises. Such abatement shall continue for the period commencing with such destruction or damage and ending with the completion of such work or repair and/or reconstruction. If, however, Tenant shall fail to adjust its own insurance or to remove its damaged goods, wares, equipment or property within a reasonable time and as a result thereof, the repair and restoration is delayed, there shall be no abatement of rental during the period of such resulting delay and if such damage or destruction is caused by Tenant's willful fault, neglect or omission, then the Rent shall not abate. Nothing in this Article shall effect or be construed to abate or diminish other charges hereunder.

- 9.06 Tenant's Insurance Coverage. Tenant shall carry insurance against fire and such other risks as are from time to time included in standard extended coverage insurance for the full insurable value of all improvements provided by Tenant. All insurance policies required to be carried pursuant to this Article shall name Landlord as an additional insured, as Landlord's interest may appear, and Tenant shall furnish Landlord evidence of such insurance coverage. Such insurance policies may not be modified or terminated without fifteen (15) days advance written notice to Landlord.

ARTICLE X - LANDLORD'S RIGHTS

10.01 Landlord reserves the following rights:

- (A) To change the name of the Building or the Project without notice or liability to Tenant, except as provided in Article II and Provision 1.01(I) of this Lease;
- (B) To exhibit the Premises to others and to display "For Lease" signs on the Premises during the last six months of the Lease Term or any extension thereof;
- (C) To remove abandoned or unlicensed vehicles and vehicles that are interfering with the use of the parking lot by others, except vehicles in Tenant's parking spaces that belong to Tenant or have been impounded by Tenant, and to charge the responsible tenant for the expense of removing said vehicles;
- (D) To take any and all measures, including making inspection, repairs, alterations, additions and improvements to the Project and the making of inspection and repairs to the Premises as may be necessary or desirable for the safety, protection or preservation of the Premises or the Project or Landlord's interests, or as may be necessary or desirable in the operation of the Premises or the Project. Nothing in this provision shall permit Landlord's entry into secured police areas in the Premises.

Landlord may enter upon the Premises at any reasonable time for the purpose of exercising any or all of the foregoing rights hereby reserved without being deemed guilty of an eviction or disturbance of Tenant's use or possession and without being liable

unless Landlord damages or causes damage to materials stored by Tenant. Nothing in this provision shall permit Landlord's entry into secured police areas in the Premises.

- 11.01 If, with the Landlord's written consent, Tenant remains in possession of the Premises after the expiration or other termination of the Lease Term, Tenant shall be deemed to be occupying the Premises on a month-to-month tenancy at a rental rate as stated in the written consent. Such month-to-month tenancy may be terminated by Landlord or Tenant on the last day of any calendar month by delivery of at least thirty (30) days advance notice of termination to the other. If, without Landlord's written consent, Tenant remains in possession of the Premises after the expiration or other termination of the Lease Term, Tenant shall be deemed to be occupying the Premises upon a tenancy at sufferance, and Rent shall continue at the rate in effect in the month immediately preceding the expiration or termination.

ARTICLE XII - SIGNS AND ADVERTISEMENTS

- 12.01 Tenant shall not put upon any part of the Premises, the Building or the Project, any signs, billboards or advertisements whatever in any location or any form without the prior written consent of Landlord. Landlord shall construct, as part of the Premises improvements without additional charge or Rent to Tenant, appropriate signage to identify Tenant's use of the Premises as a police precinct, identify public parking spaces and the public entrances and exits of the precinct. Said signage must be acceptable to Tenant and be approved with the Construction Plans.

ARTICLE XIII - MORTGAGE AND SUBORDINATION

- 13.01 Landlord may cause this Lease to be made subject and subordinate to all mortgages and encumbrances which may now or hereafter affect the Building, and to all renewals, modifications, consolidations and extensions thereof. For confirmation of such subordination, Tenant shall execute promptly any subordination agreement reasonably requested by Landlord. So long as Tenant shall faithfully discharge the obligations on its part to be kept, this Lease shall not be affected by any default under any mortgage and in the event of foreclosure or enforcement thereof, the rights of Tenant hereunder shall survive, and if requested to do so by such mortgagee or trustor, Tenant shall attorn to such mortgagee, its successors and assigns, and this Lease shall in all respects continue in full force and effect, provided, however, that Tenant fully performs all of its obligations hereunder, and provided further that Tenant shall not have prepaid any rent.

ARTICLE XIV - EMINENT DOMAIN

14.01 If the Premises, or such substantial part thereof as reasonably renders the remainder unfit for the intended uses, shall be taken by any competent authority under the power of eminent domain or be acquired for any public or quasi-public use or purpose, the Lease Term shall cease and terminate upon the date when the possession of said Premises or the part thereof so taken shall be required for such use or purpose and without apportionment of the award and Tenant shall have no claim against Landlord for the value of any unexpired portion of the Lease Term. If any condemnation proceeding shall be instituted in which it is sought to take any part of the Building or to change the grade of any street or alley adjacent to the Building and such taking or change of grade makes it necessary or desirable to remodel the Building to conform to the changed grade, Landlord shall have the right to terminate this Lease after having given written notice of termination to Tenant no less than ninety (90) days prior to the date of termination designated in the notice. In either of said events, rent at the then current rate shall be apportioned as of the date of the termination. No money or other consideration shall be payable by the Landlord to the Tenant for the right of termination and the Tenant shall have no right to share in the condemnation award or in any judgement for damages caused by the taking or the change of grade. Nothing in this paragraph shall preclude an award being made to Tenant for loss of business or depreciation to and cost of removal of equipment or fixtures or for their value in place.

ARTICLE XV - COMMON AREAS

15.01 Tenant shall not use any part of the Building exterior to the Premises for any purpose whatsoever. No trash, crates, pallets, or refuse shall be permitted anywhere outside the Building by Tenant except in enclosed metal containers to be located as directed by Landlord. Such suitable place for trash receptacle metal containers shall be provided by Landlord as part of the Lease at no additional expense to Tenant.

**ARTICLE XVI - COMPLETION AND ACCEPTANCE OF PREMISES,
MAINTENANCE AND CARE**

16.01 Maintenance and Repair by Landlord. During the Lease Term, Landlord shall keep and maintain the roof, exterior walls (excluding glass or plate glass), gutters and down spouts, plumbing, electrical service and HVAC of the Building in good condition and repair. Landlord shall be under no obligation and shall not be liable for any failure to make repairs that are Landlord's responsibility herein until and unless Tenant notifies Landlord in writing of the necessity therefor, in which event Landlord shall have a reasonable time thereafter to make such repairs. Landlord reserves the right to exclusive

use of the roof and exterior walls of the Building which Landlord is so obligated to maintain and repair. If any portion of the Premises which Landlord is obligated to maintain or repair is damaged by the sole negligence of the Tenant, its agents, employees or invitees, then repairs necessitated by such damage shall be paid for by Tenant.

- 16.02 Notwithstanding Landlord's reservation of exclusive right to the roof and exterior walls of the building, Landlord shall not alter the visual appearance of the exterior walls and/or roof after the Building renovations and signage pursuant to the Construction Plans, without the prior written approval of the Lansing Police Department, which approval shall not be unreasonably withheld. Said approval shall permit signage for other tenants that is compatible with the Tenant's signage under Article XII.
- 16.03 Completion. If, after Landlord has had a reasonable time to make repairs and fails to do so, or Tenant gives notice to Landlord as provided herein and Tenant's use of the Premises, or a part of the Premises, remains untenantable or unusable for more than forty-eight (48) hours, then rent shall be abated on a per diem basis for the pro rata portion of the Premise that is untenantable or unusable until Landlord restores it to a tenantable or usable condition.
- 16.04 If a substantial part of the Premises remains untenantable or unusable for more than 90 days, Tenant may terminate this Lease by written notice to Landlord.

ARTICLE XVII - ALTERATIONS AND ADDITIONS, MECHANICS' LIENS

- 17.01 Alterations. No alterations, additions, removals or improvements to the Premises shall be made without prior written consent of Landlord, nor shall such alterations, additions, removals or improvements interfere with or damage the mechanical or electrical systems or the structure of the Building. Landlord's consent shall not be unreasonably withheld. Any improvements, additions, removals or alterations made by Tenant, including any and all fixtures installed, excepting trade fixtures or unless otherwise agreed to in writing by the parties, shall at the Landlord's option, either (1) remain on the Premises as the property of the Landlord without compensation to the Tenant, or (2) at the end of the Lease, be removed and the Premises restored to its original condition, reasonable wear and tear excepted, at the sole expense of the Tenant. The parties hereby agree Tenant shall be entitled to keep as its own property improvements and fixtures in the nature of security, communications, corporate networks, fiber optics, antennae and work stations, as Tenant shall make or construct on the Premises.

ARTICLE XVIII - TENANT'S WORK

- 18.01 Tenant hereby agrees that, when alterations are required, it shall submit plans and specifications for all of its proposed alterations to the Premises to Landlord for Landlord's approval ("Tenant's Work"). Landlord shall have a period of fifteen (15) days following delivery of the plans and specifications to review them and provide Tenant written notice of any objections thereto. If Landlord shall be dissatisfied in any respect with the plans and specifications, Tenant shall promptly modify the plans and specifications to the reasonable satisfaction of Landlord. Tenant agrees that each and every aspect of the construction and installation of improvements shall be installed in substantial conformance with the approved plans and specifications.
- 18.02 Tenant agrees to complete all of Tenant's Work at its own cost and expense. Tenant shall not permit the imposition of any lien or other security interest against the Premises or the real property of which the Building constitutes a part. In the event any such lien or security interest is imposed against the Real Property or the Premises, Tenant shall immediately furnish to Landlord a bond or other form of security satisfactory to Landlord in its sole discretion which provides for discharge and payment of any such lien or security interest in a manner satisfactory to Landlord.
- 18.03 Tenant hereby indemnifies and holds Landlord and the members, agents and employees of Landlord, harmless from and against any and all damages, claims, costs and/or expenses (including reasonable attorney's fees) which Landlord or its members, agents and/or employees may suffer or incur as a consequence of the construction and/or installation or any improvements by Tenant or Tenant's employees, agents or independent contractors in or on the Premises.
- 18.04 All of Tenant's Work shall be performed by contractors and subcontractors approved by Landlord in its reasonable discretion, provided that the exercise of said approval shall not interfere with Tenant's bidding of work pursuant to the City's purchasing Ordinance and all of Tenant's Work and improvements shall conform to applicable statutes, ordinances, regulations and codes of all governmental units having jurisdiction over the Building and any improvements installed therein. Tenant shall obtain and convey to Landlord all approvals required to be obtained to perform Tenants Work and Tenant shall be solely responsible for all costs incurred to comply with all approvals and permits.
- 18.05 Tenant and Tenant's contractors shall carry such type of insurance and in such reasonable amounts as shall be designated by Landlord and all such policies shall name Landlord and Landlord's management company as additional insured parties.
- 18.06 Notwithstanding anything to the contrary contained in this Lease, after any approved Tenant build out, Landlord shall have the right (but shall not be obligated) to perform by its own contractor or sub-contractor, on behalf of and for the account of Tenant, any Tenant's Work which directly affects the structural components of or the general utility

systems of the Building, if Landlord determines such work should be so performed. If the Landlord so determines, Landlord shall so notify Tenant prior to the commencement of such work. Tenant shall promptly, on demand, reimburse Landlord for all costs of planning and performing such work when and as incurred by Landlord.

- 18.07 Neither Tenant nor Its agents or independent contractors shall be entitled to cut and/or patch openings in the roof for ducts, vents, etc., and the right to so cut and/or patch openings in the roof shall exclusively belong to Landlord. However, the cost of such work will be at the expense of Tenant.
- 18.08 No approval by Landlord required under this Article XIX shall be deemed valid unless the same shall be in writing and signed by Landlord or Landlord's authorized agent.
- 18.09 It shall be the responsibility of Tenant, at Tenant's cost, to obtain a final Certificate of Occupancy for Tenant's use of the Building to the extent such certificate is required or available as a result of Tenant's Work.

ARTICLE XIX - INSURANCE

- 19.01 **Public Liability, Property Damage Insurance.** Tenant covenants and agrees to maintain on the Premises at all times during the Lease Term, or any renewal thereof, a policy or policies of comprehensive public liability and property damage insurance with not less than \$1,000,000.00 combined single limit for both bodily injury and property damage, which policy or policies shall name Landlord as additional insured or its equivalent self-insurance coverage.
- 19.02 **Fire and Extended Coverage Insurance.** Landlord shall, throughout the Lease Term, or any extension thereof, maintain fire and extended coverage insurance on the Premises and the property owned by Landlord located in and about the Premises in such amounts and with such deductibles as Landlord shall determine. Landlord shall not in any way or manner insure any property of Tenant or any property that may be in the Premises or any property that may be in the Project but not owned by Landlord.
- 19.03 **Indemnification of Landlord.** Tenant shall indemnify and hold harmless the Landlord and Landlord's directors, officers, and employees from all claims, losses, costs, damages, or expenses (including, but not limited to, attorney's fees) resulting from or arising from any and all injuries, or death of any person or damage to any property caused by an act, omission, or neglect of the Tenant or to the Tenant's directors, officers, employees, agents, invitees, or guests. Notwithstanding the foregoing, the indemnification provisions of this Paragraph 19.03: (1) shall not apply to claims, losses, costs, damages, or expenses (including, but not limited to, attorney's fees) related to any regulated or hazardous

substance, waste or contaminants; and (2) shall not apply as to those injuries or damages to the extent that those injuries and damages are caused by the negligence or comparative or contributory negligence or fault of the Landlord, its directors, officers, employees, agents, invitees or guests. This indemnification provision shall not entitle any other party to any claim to which the other party would not otherwise be entitled and shall not abrogate or diminish governmental immunity.

19.04 Indemnification of Tenant. Landlord shall indemnify and hold harmless the Tenant and Tenant's directors, officers, and employees from all claims, losses, costs, damages, or expenses (including, but not limited to, attorney's fees) resulting from or arising from any and all injuries, or death of any person or damage to any property caused by an act, omission, or neglect of the Landlord or to the Landlord's directors, officers, employees, agents, invitees, or guests. Notwithstanding the foregoing, the indemnification provisions of this Paragraph 19.04: (1) shall not apply to claims, losses, costs, damages, or expenses (including, but not limited to, attorney's fees) related to any regulated or hazardous substance, waste or contaminants; and (2) shall not apply as to those injuries or damages to the extent that those injuries and damages are caused by the negligence or comparative or contributory negligence or fault of the Tenant, its directors, officers, employees, agents, invitees or guests.

19.05 Environmental Indemnification. This indemnification provision is applicable in this Lease between Prudden Investment Company, LLC, as Landlord, and the City of Lansing, as Tenant.

(A) The Lessor, and the divisions, subsidiaries, successors and assigns of the Lessor, and any subsequent Lessor, and the divisions, subsidiaries, parents, successors, and other related entities of any subsequent Lessor (a/k/a herein "Landlord"), shall indemnify, defend and save the Lessee (a/k/a herein "Tenant"), and its officers, directors, employees, agents and affiliates harmless from and against any and all loss, penalties, fines, costs, damages or expenses (including, without limitation, reasonable fees of counsel) whatsoever resulting from or arising out of any liability, claim or obligation arising out of or related to any pollutants, contaminants or other substances emanating from or located on the Premises and/or the Building, including but not limited to any pending claim, administrative order or other administrative or judicial action requiring the investigation or remediation of the Premises and/or Building pursuant to Environmental Law. As to pollutants, contaminants or other substances located on the Premises and/or Building prior to June 30, 1983, it is the express intent of the parties that the Lessor's and any subsequent Lessor's obligation under this indemnification shall be the same indemnification obligation of Goodyear to Lessor with respect to "other real property" as referenced in Article 15.1(e)(i) of that certain Purchase Agreement dated December 30, 1986 between Goodyear and the Lessor (the "Purchase Agreement"). A copy of which is attached hereto as

Exhibit C. For purposes of this indemnification and notwithstanding any definition in any other document to the contrary or interpretation of such term under any other document to the contrary, "other real property" specifically includes the Premises and the Building. For the purposes of this paragraph, the term "Environmental Law" shall mean any law, statute, regulation, rule, order, consent decree, settlement agreement or governmental authority, which relates to or otherwise imposes liability or standards of conduct concerning discharges or releases of any pollutants, contaminants or hazardous or toxic wastes, substances or materials into ambient air, water or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of pollutants, contaminants or hazardous or toxic wastes, substances or materials.

- (B) The Lessor represents and warrants that the environmental indemnification given to the Lessor by Goodyear pursuant to the Purchase Agreement shall remain in full force and effect during the term of the Lease and shall survive the termination of this Lease.
- (C) The Lessor represents and warrants that the environmental indemnification given to the Lessor by Goodyear pursuant to the Purchase Agreement applies to the Premises and may be relied upon by the Lessee to fulfill the Lessor's obligations prior to June 30, 1983 pursuant to Paragraph 31.
- (D) Notwithstanding any term of this Lease to the contrary, in the event that this Lease is terminated for any reason, the environmental indemnification provisions set forth in this Paragraph 31 shall survive the termination of this Lease.
- (E) Notwithstanding any term of this Lease to the contrary, in the event that this Lease is assigned, Lessor, any subsequent Lessor, and the successors and assigns of all of the foregoing, shall remain liable to the Lessee according to the environmental indemnification provisions set forth in Paragraph 31.
- (F) The Lessor represents and warrants that it has all the requisite authority to bind itself, its divisions, subsidiaries, successors and assigns, to the indemnification provisions set forth in Paragraph 31.

ARTICLE XX - DEFAULT AND REMEDIES

- 20.01 In the event Tenant shall default in the payment of Rent, or in any other sums payable by Tenant herein and such default shall continue for a period of ten (10) business days after the date it is due, or if the Tenant shall (1) fail to keep, perform or observe any other

covenant, agreement, condition or undertaking hereunder and shall fail to remedy such default within ten (10) days after written notice thereof has been mailed and faxed by Landlord to Tenant; or if such default is one that will take longer than ten (10) days to remedy, Tenant fails to commence curing such default within Thirty (30) days and/or fails diligently to pursue such cure to completion; or (2) become bankrupt, insolvent or any debtor proceedings be taken by or against the Tenant, then and in addition to any and all other legal remedies and rights, Landlord may: (a) terminate this Lease and retake possession of the Premises including, at the expense of the Tenant, removal of all property from the Premises and storage at a public warehouse, or (b) enter the Premises and re-let the same without termination. In the event Landlord terminates this Lease, the Tenant shall be liable to the Landlord for all loss and damage sustained by the Landlord on account of the Premises remaining unleased, or being let for the remainder of the term for a lesser rent than that herein reserved.

- 20.02 No reentry or taking possession of the Premises by Landlord pursuant to this Article XX shall be construed as an election to terminate this Lease unless written notice of such intention is given to Tenant by Landlord or decreed by a court of competent jurisdiction or Landlord re-lets the Premises.

ARTICLE XXI - LANDLORD'S RIGHT TO CURE DEFAULTS

- 21.01 If Tenant defaults in the observance or performance of any of Tenant's covenants, agreements, or obligations hereunder wherein the default can be cured by the expenditure of money, Landlord may, but without obligation, and without limiting any other remedies which it may have by reason of such default, cure the default, charge the cost thereof to Tenant, and Tenant shall pay the same, incurred by Landlord in curing such default within thirty (30) days of being billed as Rent upon demand, together with interest per annum at the rate of 5%.
- 21.02 Remedies Cumulative. All rights and remedies provided in this Lease for each party's protection shall be cumulative and in addition to any other rights and remedies provided by law. Each party shall be entitled to recover from the other party its reasonable attorneys' fees incurred in enforcing its rights hereunder.
- 21.03 No Waiver. A waiver by Landlord of a breach or default by Tenant under the terms and conditions of this Lease shall not be construed to be a waiver of any subsequent breach or default nor of any other term or condition of this Lease, and the failure of Landlord to assert any breach or to declare a default by Tenant shall not be construed to constitute a waiver thereof so long as such breach or default continues unremedied.

- 21.04 No Reinstatement. No receipt of money by Landlord from Tenant after the expiration or termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgement for possession of the Premises shall reinstate, constitute or extend the Term of this Lease or affect any such notice, demand or suit.

ARTICLE XXII - DEFINITION OF LANDLORD

- 22.01 Landlord Means Owner. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners at the time in question of the fee of the Premises, and in the event of any transfer or transfers of the title to such fee, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved, from and after the date of such transfer or conveyance, of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided that any funds in the hands of such Landlord or the then grantor at the time of such transfer, in which Tenant has an interest, shall be turned over to the grantee, and any amount then due and payable to Tenant by Landlord or the then grantor under any provisions of this Lease, shall be paid to Tenant.

ARTICLE XXIII - NOTICES

- 23.01 Except as otherwise herein provided, whenever by the terms of this Lease notice shall or may be given either to Landlord or to Tenant, such notice shall be in writing and shall be deemed to have been properly served if hand-delivered or sent by certified mail, return receipt requested, postage prepaid and faxed to the addresses set forth at Provision 1.01(A) and (B) above. The date of such hand-delivery, mailing and faxing shall be deemed the date of service. The day after the day of mailing for mail posted in the State of Michigan and two (2) days after the date of mailing for mail posted in any other state, shall be deemed the date of service.

ARTICLE XXIV - MISCELLANEOUS

- 24.01 Persons Bound. The agreements, covenants and conditions of this Lease shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of each of the parties hereto, except that no assignment, encumbrance or subletting by

Tenant, unless permitted by the provisions of this Lease, shall vest any right in the assignee, encumbrance or subtenant of Tenant.

- 24.02 Partial Invalidity. If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, to any extent be invalid, unenforceable or violate a party's legal rights, then such term, covenant, condition or provision shall be deemed null and void and unenforceable, however, all other provisions of this Lease, or the application of such term or provision to persons or circumstances other than those to which are held invalid, unenforceable or violative of legal rights, shall not be affected thereby, and each and every other term, condition, covenant and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.
- 24.03 Captions. The headings and captions used throughout this Lease are for convenience and reference only and shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction or meaning of any provisions in this Lease. The words "Landlord" and "Tenant" wherever used in this Lease shall be construed to make the provisions hereof apply either to corporation, partnerships, or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.
- 24.04 Validity. Submission of this instrument for examination does not constitute a reservation of the Premises. The instrument does not become effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.
- 24.05 Applicable Law. This Lease, its interpretation and enforcement shall be governed by the laws of the state in which the Premises are located.
- 24.06 Allocation of Rent. Landlord and Tenant agree that no portion of the Rent paid by Tenant during the portion of the Lease Term occurring after the expiration of any period during which such rent was abated shall be allocated for income tax purposes by Landlord or Tenant to such rent abatement period, nor is such rent intended by the parties for income tax purposes to be allocable to any abatement period.
- 24.07 Pets. Except for canine unit dogs, no animals or pets of any kind shall be kept on the Premises, other than those expressly permitted in writing by the Landlord. The Landlord shall have the right to request removal of any animal or pet on the Premises within seven (7) days after such request is made if the animal is on the Premises without written permission, or, in the event that written permission has been previously granted, if such animal or pet is the subject of a complaint made to the Landlord by any other tenant or by any workman having a right to enter such Premises. In the event that the animal or pet is not removed within that time, the Landlord shall have the right to commence eviction proceedings against the Tenant.

ARTICLE XXV - ENTIRE AGREEMENT

25.01 This Lease contains the entire agreement between the parties and no modification of this Lease shall be binding upon the parties unless evidence by an agreement in writing signed by the Landlord and the Tenant contemporaneous with or after the date hereof. If there be more than one Tenant named herein, the provisions of this Lease shall be applicable to and binding upon such tenants jointly and severally.

ARTICLE XXVI IMPROVEMENTS

26.01 Landlord will complete the Premises in accordance with the Construction Plans. Landlord and Tenant agree that said improvements expressly exclude such improvements as security, communications, computer networks, fiber optics, antenna, and any other similar specialty items.

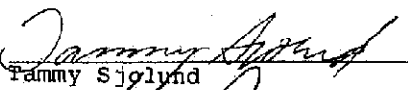
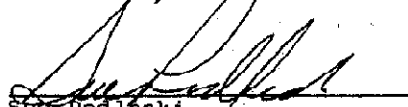
ARTICLE XXVII - NOTICE TO EXECUTION OPTION

27.01 Tenant shall notify Landlord in writing 6 months prior to expiration of the Lease Term or any option period set forth herein of its intent regarding the exercise of the option.

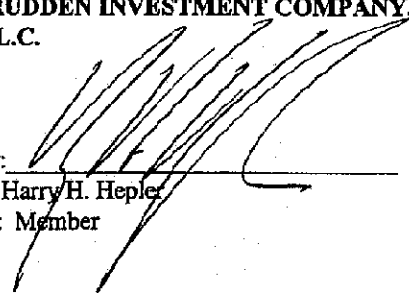
IN WITNESS WHEREOF, the parties have signed triplicate counterparts hereof as of the date and year hereinabove set forth.

This document is exempt from documentary transfer tax pursuant to 1966 PA 134, as amended; MCL 207.505(e) and from the real estate transfer tax pursuant to 1993 PA 330, as amended; MCL 207.526(e).

WITNESSES TO LANDLORD


Tammy Sjoglund

Sue Podleski

**PRUDDEN INVESTMENT COMPANY,
L.L.C.**

By: 
Harry H. Hepler
Its: Member

STATE OF MICHIGAN)

)ss.

COUNTY OF INGHAM)

On this 27th day of May, 1998 before me appeared Harry H. Hepker to me personally known, who acknowledged that he is a member of said corporation and executed the same on behalf of said corporation.

Sue Podleski
Sue Podleski, Notary Public
Tonia County, Michigan, Acting in
Ingham County, Michigan
My Commission Expires: 04/24/00



Building Safety Office
Department of Planning and Neighborhood Development
316 North Capitol Ave
Lansing, Michigan 48933-1238
(517) 483-4356

TEMPORARY CERTIFICATE OF OCCUPANCY

This Certificate is issued pursuant to the requirements of Section 109.4 of the Uniform Building Code and authorizes occupancy of the following premises under the conditions described below. This building has been inspected for compliance with the requirements of the code for the Group and Division of occupancy and the use for which the proposed occupancy is classified and there is no substantial hazard which will result from the occupancy of the building prior to its completion.

Address: 740 May St Bldg. Permit No. B1998-1430

Subdivision:

Owners Name: Investment Co L.I.C. Prudden

Owners Address: Attn: Hepler Harry
113 Pers Marquette
Lansing, MI 48912

Contractor:

Construction Type: III-1HR Secondary: III-N

Use Group: A-2.1 Secondary: B; Secondary: S-3

Zoning: G-1 Secondary: G-1

Work Authorized by this permit:

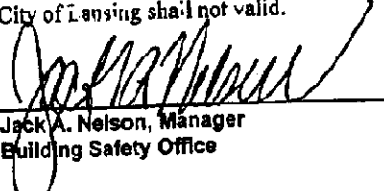
Renovation of existing building.

THIS CERTIFICATE EXPIRES ON: JULY 16, 1999.

Fire Alarm System must be supervised.

Plumbing Reinspection must be obtained and corrections completed.

The issuance of this Temporary or Partial Certificate of Occupancy shall not be construed as an approval of a violation of the provisions of this code or of other ordinances of the City of Lansing. Certificates presuming to give authority to violate or cancel the provisions of this code or of other ordinances of the City of Lansing shall not valid.


Jack A. Nelson, Manager
Building Safety Office

07/02/99
date

LEASE AGREEMENT

THIS LEASE, is made this 30th day of October, 1995, by and between Hamco Management, as agent for Everett Plaza Associates, a Michigan Partnership (hereinafter referred to as "Landlord") and City of Lansing, (hereinafter referred to as "Tenant").

WITNESSETH:

ARTICLE 1 - LEASED PREMISES

SECTION 1.01 LEASED PREMISES: Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby leases from Landlord, subject to all the terms and conditions of this Lease including the Rules and Regulations in Exhibit "D" and all other reasonable rules and regulations as prescribed from time to time by Landlord, those certain premises described in Sections 2.01 and 2.02 and shown on the floor plan marked EXHIBIT "A" attached herein and made a part hereof (the "Leased Premises") together with the right to use in connection with others related thereto, the Common Areas (as hereinafter defined). The exterior walls and roof of the Leased Premises and the area beneath the Leased Premises are not demised hereunder, and the use thereof together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires and structural elements leading through the Leased Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of the Property are hereby reserved unto Landlord. The term "Property" as used herein refers to the development commonly known by the "Property Name" and located at the "Property Address" specified in Section 2.01, together with the land on which the development is situated and any other improvements now or hereafter located thereon. ~~THIS LEASE DOES NOT COVER THE COMMON AREAS OR THE BUILDING~~ The term "Building" as used herein refers to the building containing the Leased Premises.

ARTICLE 2 - BASIC LEASE PROVISIONS

The Sections in this Article 2 that furnish data to be incorporated in other Sections of this Lease shall only be deemed part of the context of this Lease when considered together with the further definitions, explanations and provisions of the applicable Sections in this Lease.

SECTION 2.01 LOCATION OF LEASED PREMISES:

Property Name: Everett Plaza
Property Address: 3400 S. Cedar, Lansing, MI 48910
Suite Number:
Michigan County: Ingham

SECTION 2.02 LEASED AREA: 22,520 square foot (approximate measurement)

SECTION 2.03 LEASE TERM: 4 years, 4 months

SECTION 2.04 COMMENCEMENT DATE: February 1, 1996

SECTION 2.05 EXPIRATION DATE: March 31, 2000

SECTION 2.06 RENEWAL OPTION: Pursuant to Section 3.02, Tenant shall have the right to extend the term of this Lease for one (1) successive period of five (5) years. Tenant shall exercise this renewal option by giving Landlord written notice on or before the date that is 120 days prior to the Expiration Date of the Original Term. The monthly Minimum Base Rent for said renewal periods shall be equal to the monthly installment specified in Section 2.07 increased annually thereafter, by the percentage increase in the Consumer Price Index as set forth in Section 3.01.A.

SECTION 2.07 MINIMUM BASE RENT: For the Original Term, Tenant agrees to pay Landlord as "Minimum Base Rent" for the Leased Premises the total sum of Four Hundred Thousand and 00/100 (\$400,000.00), payable as follows:

Months 1 - 6	\$0.00	Months 25 - 36	\$10,000/month
Months 7 - 12	\$0.00	Months 37 - 48	\$10,000/month
Months 13 - 24	\$10,000/month	Months 49 - 52	\$10,000/month

SECTION 2.08 CONSUMER PRICE INDEX ADJUSTMENT: See Renewal Option

SECTION 2.09 UTILITIES: Tenant shall pay all utilities used or consumed in the Leased Premises or furnished therein.

SECTION 2.10 JANITORIAL: Tenant shall, at Tenant's sole cost and expense, self-clean the Leased Premises.

SECTION 2.11 NET CHARGES: Tenant shall pay Tenant's proportionate share of the "Net Charges" defined in Article 6, which include, without limitation: light bulb replacement, security protection, carpet cleaning and rubbish removal.

SECTION 2.12 SECURITY DEPOSIT: ~~None~~

SECTION 2.13 PERMITTED USE: Lansing Police South Precinct, Community Center and Network Center

SECTION 2.14 BROKERS: None

SECTION 2.15 TENANT'S INSURANCE: The limits of liability under the insurance required to be carried by Tenant shall not be less than One Million Dollars (\$1,000,000) Combined Single Limit for both bodily injury and property damage for each occurrence or provide Tenant with proof of self insurance.

SECTION 2.16 RENT CHECK PAYEE: All rent and other payments required to be made by Tenant to Landlord shall be made payable to the order of: Everett Plaza, C/O Hamco Management.

SECTION 2.17 ADDRESS FOR PAYMENTS AND NOTICES:

A. Landlord:	B. Tenant:
Hamco Management	City of Lansing
1905 Abbott Road	3400 S. Cedar
East Lansing, Michigan 48823	Lansing, MI 48910
Attention: Thomas LeBlanc	Attention:
Phone: (517) 332-3900	517:

ARTICLE 3 - SPECIAL LEASE PROVISIONS

SECTION 3.01 RENEWAL OPTION: Provided Tenant is not in default of this lease at the time Tenant exercises Tenant's option under this Section, Tenant shall have the right to extend the term of this Lease for the additional period specified in Section 2.06. The monthly rent for this said renewal period shall be equal to the monthly rent installment specified in Section 2.07 increased pursuant to Subsection A. of this Section 3.01. Tenant shall exercise these renewal options by giving Landlord written notice on or before the date specified in Section 2.06, and if Tenant does not give notice exercising such right on or before said date, all further rights of Tenant under this Section shall terminate. Additionally, without limitation of the rights of Landlord under this Lease, if at any time after the exercise by Tenant of Tenant's right to extend the term of this Lease, an event of default by Tenant shall occur under this Lease and the same is not cured within the time limit set forth in this Lease for the curing of such default, Landlord shall have the right to cancel the exercise by Tenant of such right to extend and Tenant shall have no further rights under this Section.

A. Subject to further increase pursuant to this Section, the monthly installment of Minimum Base Rent for the renewal period shall be \$4.05/sq. Ft. plus annual Consumer Price Index increase based on Consumer Price Index for all Urban Consumers (CPI-U) beginning as of and retroactive to the first day of the opposite renewal period and annually as of and retroactive to the first day of each Adjustment Month thereafter during said renewal period. Said increase shall be equal to the percentage of increase between the Basic Index and the index published for the applicable Adjustment Month. The foregoing annual adjustment shall be upward only, and shall be made by reference to the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (CPI-U) (1982-14 = 100) (the "Index"). "Base Index" is hereby defined as the index published for the month of March, 1999. "Adjustment Month" is hereby defined as the month of March, and the first Adjustment Month is April, 2000.

B. If said Index shall no longer be published, then a successor index published by the U.S. Department of Labor, then, another index generally recognized as accurately reflecting changes in purchasing power of the U.S. dollar shall be selected by Landlord.

C. Landlord shall give Tenant written notice in each instance of the new monthly Minimum Base Rent installment following the determination of the increase by Landlord, and Tenant shall pay such new monthly Minimum Base Rent installment effective as of and retroactive to the first day of each Adjustment Month, in the manner set forth in Section 3.01.

ARTICLE 4 - TERM and POSSESSION

SECTION 4.01 TERM: The term of this Lease shall be the period of time specified in Section 2.03 (the "Original Term"), commencing on the date specified in Section 2.04 (the "Commencement Date") and ending on the date specified in Section 2.05 (the "Expiration Date"). As used in this Lease, "Lease Term" shall include the Original Term and any renewal or extension thereof.

SECTION 4.02 TENANT IMPROVEMENTS: Landlord agrees, at Tenant's cost and expense, to perform and complete the Tenant Improvements, if any, in the Leased Premises as set forth in Exhibit "C", subject to events and delays due to causes beyond Landlord's reasonable control, and Landlord shall not be liable to Tenant for damages by reason of any delay in the completion of said improvements to the Leased Premises.

SECTION 4.03 TENANT'S ACCEPTANCE OF THE LEASED PREMISES: Except for those Tenant Improvements, if any, set forth in Exhibit "C" of this Lease, Tenant hereby accepts the Leased Premises in the present "AS IS" condition, with all faults and defects; provided, however, if Tenant discovers a latent defect at any time during the Lease Term, then Tenant shall notify Landlord, in writing, of such defect, and Landlord shall cause same to be repaired. Should such defect be the result of action or inaction on the part of Tenant, Tenant's agents or assigns, all such costs of repair shall be borne by Tenant. Tenant's taking possession of the Leased Premises shall be conclusive evidence as against Tenant that the Leased Premises were in satisfactory condition when Tenant took possession. Tenant acknowledges that (i) Tenant has examined the Leased Premises prior to the making of this Lease and knows the condition thereof; and (ii) neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition or state of repair of the Leased Premises or the Property, or with respect to the suitability thereof for the conduct of Tenant's business, except as provided in this Lease.

SECTION 4.04 SURRENDER OF THE PREMISES: Upon the expiration or other termination of this Lease, or upon the exercise by Landlord of its right to re-rent the Leased Premises without terminating this Lease, Tenant shall immediately surrender the Leased Premises to Landlord, together with all alterations, improvements, additions, fixtures and appurtenances thereto, in broom-clean condition and in good order, condition and repair (ordinary wear and tear excepted), failing which Landlord may remove the Leased Premises to such condition at Tenant's expense. Tenant shall also surrender all keys to the Leased Premises to Landlord at the place then established for the payment of rent. Upon or prior to the expiration or other termination of this Lease or of Landlord taking possession of the Leased Premises, Tenant shall remove Tenant's equipment, furniture, trade fixtures and all other items of property on the Leased Premises (including all exterior and interior signs) not belonging to Landlord. Tenant shall, at Tenant's expense, promptly repair any damage caused by any such removal, and shall restore the Leased Premises to the condition existing prior to the installation of the items so removed. If Tenant shall fail or refuse to remove any such property from the Leased Premises pursuant to this Section, Tenant shall be conclusively presumed to have abandoned the same, and title thereto shall thereupon pass to Landlord without any cost to Landlord either by sequestration, forfeiture or otherwise; and Landlord may, at Landlord's option, accept title in such property, and, whether or not Landlord accepts such title, Landlord may at Tenant's expense (i) remove the same or any part in any manner that Landlord shall choose, repairing any damage caused by such removal, and (ii) store, destroy or otherwise dispose of the same without incurring liability to Tenant or any other person.

SECTION 4.05 HOLDING OVER: Should Tenant or any party claiming under Tenant hold over and retain possession of the Leased Premises or any part thereof after the expiration or termination of this Lease or of Tenant's right of possession, whether by lapse of time or otherwise, such holding over shall not be deemed to extend the Lease Term or renew this Lease, and such holding over shall be an unlawful detainer and such parties shall be subject to immediate eviction and removal. On the first day of each month or portion thereof for which Tenant holds over, Tenant shall pay to Landlord as liquidated damages, a sum equal to double the Minimum Base Rent in effect for the last full month of the Lease Term, and Tenant shall also pay all costs incurred and damages sustained by Landlord, whether direct or consequential, on account of such holding over. At the option of Landlord, expressed in a written notice to Tenant and not otherwise, such holding over shall constitute a tenancy from month to month on the terms and conditions set forth in this Lease, but at a rental equal to double the Minimum Base Rent in effect for the last full month of the Lease Term and Tenant shall vacate and surrender the Leased Premises to Landlord upon Tenant being given thirty (30) days prior written notice from Landlord to vacate. Notwithstanding the foregoing provision, no holding over by Tenant or acceptance of rent by Landlord after such expiration or termination shall operate to extend or renew this Lease. The foregoing provisions of this Section are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord hereunder or as otherwise provided by law.

ARTICLE 5 - RENT

SECTION 5.01 PAYMENT OF RENT: The term "rent" as used in this Lease shall mean and include all Minimum Base Rent, Additional Rent and all other payments required under this Lease. Tenant shall pay to Landlord as Minimum Base Rent for the Leased Premises the total sum specified in Section 2.07, payable in consecutive monthly installments as specified in Section 2.07. The monthly installments of Minimum Base Rent shall be paid, in advance, in lawful money of the United States of America, without any prior demand therefor and without any deduction or setoff whatsoever, on the Commencement Date and continuing thereafter on or before the first day of each and every calendar month during the Lease Term. All rent shall be paid by Tenant to Landlord payable to the order of the payee specified in Section 2.16 and delivered or mailed to Landlord at the address specified in Section 2.17 A, or any other address and payee Landlord may specify from time to time by written notice to Tenant. If the Commencement Date of this Lease shall be other than the first day of a calendar month or the Expiration Date of this Lease shall be a day other than the last day of a calendar month, then the monthly rent for such first or last fractional month shall be pro-rated on the basis of the number of days during the month this Lease is in effect in relation to the total number of days in such month.

SECTION 5.03 CONSUMER PRICE INDEX ADJUSTMENT:

A. Notwithstanding any provision to the contrary contained in this Lease, but subject to further increases pursuant to this Section, the monthly installment of Minimum Base Rent specified in Section 3.07 shall be increased annually beginning as of and retroactive to the first day of the first Adjustment Month following the Commencement Date of the Rental Option, and as of and retroactive to the first day of each Adjustment Month thereafter during the Rental Term. Said increase shall be equal to the percentage of increase between the Base Index and the Index published for the applicable Adjustment Month. This foregoing annual adjustment shall be upward only, and shall be made by reference to the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (CPI-U) (1982-84 = 100) (the "Index"). The terms "Base Index" and "Adjustment Month" are defined and specified in Section 3.01. "Minimum Base Rent" as used in this Lease shall be defined as the rent specified in Section 3.01 adjusted pursuant to this Section.

B. If said Index shall no longer be published, then a successor Index published by the U.S. Department of Labor, then, another Index generally recognized as accurately reflecting changes in purchasing power of the U.S. dollar shall be selected by Landlord.

C. Landlord shall give Tenant written notice in each instance of the new monthly Minimum Base Rent installment following the determination of the increase by Landlord, and Tenant shall pay such new monthly Minimum Base Rent installment effective as of and retroactive to the first day of each Adjustment Month, in the manner set forth in Section 3.01.

SECTION 5.03 ADDITIONAL RENT: "Additional Rent" includes all other sums of money or other charges of whatever nature required to be paid by Tenant under this Lease, including the Exhibits hereto, together with all interest and charges which may be added for nonpayment or late payment of rent; and shall, unless some other pattern of payment is specified in writing by Landlord, be due and payable upon demand without any deductions or setoff whatsoever, at the place where Minimum Base Rent is payable.

SECTION 5.04 LATE CHARGES: In the event Tenant fails to pay any rent or any other sum or charge required to be paid by Tenant to Landlord under this Lease within fifteen (15) days after the same is due, the amount unpaid shall be subject to a late payment charge in each instance equal to the greater of (i) One Hundred Dollars (\$100.00). This obligation to pay late charges shall neither excuse nor cure any default and will exist in addition to and not in place of any and all other rights and remedies provided under this Lease or at law.

SECTION 5.05 NO RIGHT OF OFFSET BY TENANT: Minimum Base Rent, Additional Rent and all other amounts required as part of this Lease are hereby payable by Tenant without setoff, counterclaim, abatement, suspension, deduction or defense, provided that, without otherwise in any way limiting the foregoing and without limiting the rights of Landlord or the holder of a mortgage or other instrument secured by the Leased Premises, the foregoing shall not constitute a waiver of any other rights Tenant may have under this Lease, or in law or equity.

SECTION 5.06 ACCORD AND SATISFACTION: No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any bank accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment, without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedies provided in this Lease.

SECTION 5.07 INTEREST IN PAST DUE OBLIGATIONS: Tenant shall pay to Landlord on demand, interest at the rate of twelve percent (12%) per annum (or the highest rate permitted by applicable law, whichever is lower) on all rent 30 days or more overdue, and on overdue amounts of Additional Rent relating to obligations which Landlord shall have paid on behalf of Tenant, in each case from the due date thereof until paid in full. The payment of such interest shall not excuse or cure default of Tenant under this Lease.

ARTICLE 6 - RECOVERY OF EXPENSES

SECTION 6.01 TENANT'S PROPORTIONATE SHARE: Whenever used in this Lease, "proportionate share" shall (unless otherwise defined) mean the fraction (expressed as a percentage) determined from time to time by dividing the number of square feet of leaseable space in the Leased Premises by the total number of square feet of leaseable space in the Property. Tenant's proportionate share as determined by Landlord is subject to change from time to time as the total leaseable space in the Property increases or decreases due to additions or subtractions thereof, reconfiguration of walls, measurement or otherwise provided, however, the computation of Tenant's obligation for any charge or expense shall be based on Tenant's proportionate share on the date of said computation and any fluctuations in Tenant's proportionate share prior to or after the date of said computation shall have no bearing on Tenant's obligation thereafter. If any part of the Property is separately billed and the expense relating thereto is paid directly by the occupant thereof, then such part of the Property shall be excluded from computation of Tenant's proportionate share.

SECTION 6.01 PAYMENT OF TENANT'S PROPORTIONATE SHARE: Tenant shall pay to Landlord as Additional Rent for the Leased Premises Tenant's proportionate share of the expenses specified in this Article 6 (the "Net Charges"). Landlord will provide Tenant with a written statement of the actual amount of Tenant's proportionate share as due. If the total amount paid by Tenant under this Section for any calendar year during the Lease Term is less than the actual amount due from Tenant for such year as shown on such statement, Tenant shall pay to Landlord such deficiency upon demand therefor by Landlord. All amounts of Additional Rent payable pursuant to this Section shall be payable in the manner set forth in Section 5.01. Landlord's and Tenant's obligations under this Section shall survive the expiration or termination of this Lease.

SECTION 6.02 FURNISH REMOVAL: Tenant shall store all trash and rubbish within the Leased Premises and arrange for the regular pick-up of such trash and rubbish at Tenant's expense. In the event Landlord shall provide dumpsters or any other services or facilities for the pick-up of Tenant's trash and rubbish, then Tenant shall be required to use such services or facilities, and Tenant shall be obligated to pay Tenant's proportionate share of the cost thereof in the manner set forth in Section 6.01.

ARTICLE 7 - USE and OCCUPANCY

SECTION 7.01 PURPOSE and USE: Tenant shall use and occupy the Leased Premises, at all times during the Lease Term, solely and exclusively for the purpose set forth in Section 2.13 and shall not use the Leased Premises for any other purpose except with the prior written consent of Landlord.

SECTION 7.02 COMMON AREAS: The term "Common Areas", as used in this Lease, refers to the areas of the Property designed and intended for use in common by all tenants of the Property and their respective employees, agents, customers, visitors, invitees and others, and includes, by way of illustration and not limitation, vehicle parking areas and driveways; sidewalks; loading docks; delivery areas; landscaped areas; entrances, exits, hallways,

stairwells, elevators, restrooms and other Common Areas in or adjacent to the Building; and other areas as may be designated by Landlord as part of the Common Areas of the Property. Tenant shall have the non-exclusive right, in common with others, to the use of the Common Areas, subject to rules and regulations as may be adopted by Landlord including those set forth in this Article 7 and Exhibit "D" of this Lease. All Common Areas and facilities therein, which Tenant may be permitted to use, shall be so used under a revocable license, and if the amount of such areas are diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

SECTION 7.03 TENANT USE COVENANTS: In connection with Tenant's use of the Leased Premises, Tenant agrees to do the following:

- A. Tenant shall not commit or permit any waste or damage to or deface the Leased Premises.
- B. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business or other activity carried on in the Leased Premises or if failure to procure such a license or permit might in any way affect Landlord or the Property, then Tenant at Tenant's expense shall duly procure and thereafter maintain such license or permit and make the same available to Landlord for inspection. Tenant at Tenant's expense shall at all times comply with the requirements of each such license or permit.
- C. Tenant shall not use or permit the Leased Premises to be used for any unlawful or improper purpose or act, nor will Tenant sell or permit to be sold or stored therein any controlled substance except those lawfully used in the course of Tenant's business as permitted by law. Tenant shall not sell or consume or allow the sale or consumption of alcoholic beverages on the Leased Premises.
- D. Tenant shall, at Tenant's expense, at all times comply with and obey all laws, regulations and orders of any governmental authority or agency, and keep and maintain the Leased Premises in a clean, sanitary and safe condition in accordance with the laws of the State of Michigan and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector or other proper officials of the governmental agencies having jurisdiction.
- E. Tenant shall not allow any loading or unloading in the Common Areas by any of Tenant's vendors, invitees, customers, employees, agents and any other person(s) whose presence at the Property is due to Tenant's occupancy thereof. Tenant agrees not to advertise for laborers giving an address at the Property or Leased Premises.
- F. Tenant shall not interfere, paint, affix or display any signs, advertisements or notices on the Building or Property, except for such tenant identification information as Landlord permits by prior written approval. Landlord may remove any and all such matter or signs placed in violation hereof, without notice to Tenant and at Tenant's expense.
- G. Tenant shall not use the Leased Premises, or allow the Leased Premises to be used, for any purpose or in any manner which would, in Landlord's opinion, jeopardize any policy of insurance now or hereafter carried on the Property or increase the rate of premiums payable on any such insurance policy. Should Tenant fail to comply with this covenant, Landlord may, at its option, require Tenant to stop engaging in such activity or to reimburse Landlord, at Additional Rent, for any increase in premiums charged during the Lease Term on the insurance carried by Landlord on the Leased Premises and attributable to the use being made of the Leased Premises by Tenant, but such payment shall not constitute in any manner a waiver by Landlord of Landlord's right to enforce all of the covenants and provisions of this Lease.
- H. Tenant shall comply with all reasonable directions of the Landlord including the Rules and Regulations attached hereto as Exhibit "D" as may be modified from time to time by Landlord or reasonable notice to Tenant. Landlord shall not be responsible to Tenant for the nonperformance by any other tenant or occupant of the Property of any of the Rules and Regulations, but agrees to take reasonable measures to assure compliance.
- I. Tenant shall not do or permit anything to be done in or about the Leased Premises or Common Areas which will in any way create a nuisance or disturbance, or obstruct, annoy, injure or interfere with the rights of any other tenants or occupants of the Property. Tenant shall not smoke, or permit to be made, in the Leased Premises or in the Common Areas, any noisome or disturbing noise, vibrations or odors objectionable to Landlord or to any occupants in the Property. Landlord shall have the right, but not the obligation, to make modifications to the Leased Premises and other parts of the Building to abate any noisome or disturbing noise, vibrations or odors emanating from the Leased Premises, or require Tenant to make such modifications as Landlord considers to be reasonably necessary; the cost of all such modifications shall be entirely borne by Tenant, and Tenant shall reimburse Landlord for the same (or any portion thereof paid by Landlord) as Additional Rent. Such modifications may include, but are not limited to, soundproofing walls and ceilings, and improving or altering the ventilation/exhaust system.

ARTICLE 8 - ACCESS by LANDLORD

SECTION 8.01 ACCESS by LANDLORD: Landlord, Landlord's employees and agents, and any mortgagee or other secured party of the Property shall have the right to enter any part of the Leased Premises at all reasonable times for the purposes of examining or inspecting the same, showing the same to prospective purchasers, mortgagees or tenants and making such repairs, alterations, additions or improvements to the Leased Premises or the Building as Landlord may deem necessary or desirable. If representatives of Tenant shall not be present to open and permit such entry into the Leased Premises at any time when such entry is necessary or permitted hereunder, Landlord and Landlord's employees and agents may enter the Leased Premises by means of a master key or otherwise. Landlord shall incur no liability to Tenant for such entry, nor shall such entry constitute an eviction of Tenant or a termination of this Lease, or violate Tenant's right of quiet enjoyment. Landlord shall be allowed to take all materials into and upon the Leased Premises that may be required to make said repairs, alterations, additions or improvements without in any way being deemed or held guilty of an eviction of Tenant; and the rent stipulated to be paid shall in no way abate while said repair, alterations, additions or improvements are being made; nor shall Tenant be entitled to maintain a suit or counterclaim for damages against Landlord by reason of loss or interruption to Tenant's business because of the performance of any such work. All such work shall be done during ordinary working hours, or if any such work is, at the request of Tenant, to be done during any other hours, Tenant shall pay for any extra cost incurred because of such request. Landlord's right to exhibit, show or advertise the Leased Premises for lease is continuously reserved at all times during the Lease Term, and during the six months prior to the expiration of the Lease Term, or earlier if the Leased Premises are vacated or abandoned, Landlord may place "For Lease" signs upon the Leased Premises, Building and/or Property, which signs Tenant shall permit to remain thereon without molestation.

ARTICLE 9 - UTILITIES and OTHER SERVICES

SECTION 9.01 UTILITY SERVICE: The utilities to be furnished to the Leased Premises and responsibility for payment thereof are set forth in Section 2.02. Tenant shall not install any electrical equipment other than the business machines, copying machines and equipment typically used for general office purposes by tenants in office buildings comparable to the Property (a computer not being an example of such a typical business machine, with the exception of personal computers and word processors) without Landlord's prior written consent. If Landlord determines that the electricity used by said equipment exceeds the designed load capacity of the Building's electrical system or it is in any way incompatible therewith, then Landlord shall have the right to make such modifications (at Tenant's sole cost and expense) to the electrical system or other parts of the Property or Leased Premises (which may include the cost of separately metering the Leased Premises), or to require Tenant to make such modifications to said equipment, as Landlord considers to be reasonably necessary. The cost of any such modifications shall be borne by Tenant, and Tenant shall reimburse Landlord for the same (or any portion thereof paid by Landlord) as Additional Rent.

SECTION 9.02 TELEPHONE INSTALLATION: Tenant shall be solely responsible for making all arrangements for the hookup and installation of Tenant's telephone lines, telephones and telephone equipment, and for the payment of all costs and expenses related thereto.

SECTION 9.03 JANITORIAL: Responsibility for janitorial service in the Leased Premises is set forth in Section 2.03. Notwithstanding the janitorial services, if any, provided by Landlord, Tenant shall, at Tenant's sole cost and expense, do whatever else is prudent and necessary to keep the Leased Premises orderly, neat, safe, clean and free from rubbish and dirt at all times. All trash and rubbish shall be disposed of only in areas so designated by Landlord. If Tenant fails to keep the Leased Premises in the aforesaid condition, Landlord may enter upon and clean the Leased Premises and have all rubbish, dirt, trash and garbage removed, in which event Tenant agrees to pay all charges incurred by Landlord therefor as Additional Rent plus fifteen percent (15%) of the cost thereof to reimburse Landlord for all overhead and other costs or expenses arising from the involvement of Landlord or Landlord's agents with such work.

SECTION 9.04 INTERRUPTION OF SERVICES: Landlord shall not be liable for damages nor shall the rent be abated for failure or delay in furnishing utility or janitorial service when such failure or delay is caused by necessary alterations, repairs or casualty whatsoever or by the act or default of the Tenant or other parties or by any cause beyond the control of Landlord; nor shall Landlord be liable for any unauthorized acts of Landlord's employees. Such failure or delay in furnishing utility or janitorial service whether supplied by Landlord or Tenant, shall not be construed as an act of eviction against the

Tenant by Landlord, nor shall such failure or delay in any way operate as a release from the prompt and punctual performance of Tenant's obligations hereunder.

SECTION 9.05 LIGHTING: Tenant shall inspect and maintain, at Tenant's sole cost and expense, all electric light bulbs, fluorescent tubes, ballasts, starters and all other items related to the electrical lighting in the Leased Premises and shall be liable for any damage from overloading of any of the lighting circuits leading to or in the Leased Premises.

SECTION 9.06 ADDITIONAL SERVICES: If Tenant uses or requests any utilities or services (including janitorial service, if applicable) in frequency, scope, quality or quantity substantially greater than those which Landlord deems to be normally required by other tenants in the Property for general use, then Landlord shall use reasonable efforts to attempt to furnish Tenant with such additional utilities or services, the cost thereof shall be borne by Tenant, and Tenant shall reimburse Landlord for the same as Additional Rent.

SECTION 9.08 SNOW REMOVAL: Landlord shall be responsible for snow removal in excess of 1.5" from parking areas. Landlord shall not interfere with parking lot.

SECTION 9.11 LANDSCAPING: Landlord shall be responsible for all landscaping.

ARTICLE 10 - MAINTENANCE, TENANT ALTERATIONS and FIXTURES

SECTION 10.01 LANDLORD'S OBLIGATION FOR MAINTENANCE: Landlord shall, at Landlord's expense, make or cause to be made all necessary repairs to the exterior walls, foundation, roof, common area doors, windows and corridors and other common areas of the Building, and Landlord shall keep the Building in a safe, clean and good condition and use reasonable efforts to keep all equipment used in common with other tenants (such as elevators, plumbing, heating, air-conditioning and similar equipment) in good condition and repair. Landlord shall not be required to commence any such repair until ten (10) days after written notice from Tenant that the same is necessary. If any of the aforesaid work is made necessary by the fire, earthquake, negligence, misuse, or default of Tenant or Tenant's employees, agents, customers, contractors, licensees, visitors or invitees, then the cost of such repairs shall be borne by Tenant, and Tenant shall reimburse Landlord for the same as Additional Rent. There shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Property or the Leased Premises or in or to any fixtures, appliances and equipment therein or thereon. The provisions of this Section shall not apply in the case of damage or destruction by fire or other casualty or a taking under Condemnation, in which event the obligations of Landlord shall be controlled by the Sections of this Lease dealing therewith.

SECTION 10.02 TENANT'S OBLIGATION FOR MAINTENANCE: Tenant shall, at Tenant's sole cost and expense, keep and maintain the Leased Premises in good order, condition and repair at all times during the Lease Term, and Tenant shall promptly and adequately repair all damage to the Leased Premises and repair or replace all damaged or broken fixtures and appliances, including, without limitation: interior surfaces of demising walls; non-demising walls and partitions; wallcoverings/paint on all walls; all doors, door glass, locks and frames, including exterior door(s) to the Leased Premises; window and glass pane; window moldings and frames; lighting; fire sprinkler and detection system; all plumbing and sewage facilities within the Leased Premises; hot water heater that exclusively serves the Leased Premises; doors, carpet and other floor coverings; ceilings; appliances, equipment and all other fixtures and appliances within the Leased Premises, subject to the approval, rules, regulations and requests of Landlord, and under Landlord's supervision if Landlord so elects, and within any reasonable period of time specified by Landlord, provided, however, Tenant shall not be responsible for damage to the Leased Premises caused by building defects for which Landlord is obligated to repair pursuant to Section 10.01 and Section 4.03. Tenant shall not conduct or have conducted any maintenance activities upon the heating and air-conditioning ("HVAC") unit that serves the Leased Premises. If said HVAC unit malfunctions or otherwise requires maintenance or repair, Tenant shall notify Landlord immediately and Landlord shall promptly arrange for the performance of the required work. Landlord shall utilize all applicable warranties in arranging for said HVAC maintenance, however, Tenant shall be responsible to pay to Landlord, as Additional Rent, all non-warranty HVAC maintenance and repair work performed on the HVAC unit, but only if said HVAC unit serves the Leased Premises exclusively. Tenant shall pay for an annual inspection and cleaning of the HVAC unit that exclusively serves the Leased Premises, and said work shall be performed by a vendor of Landlord's choosing. Tenant shall pay for the repair of any roof leaks around or in the vicinity of any roof penetrations made to the Leased Premises because of Tenant's occupancy thereof. The outside areas immediately adjoining the Leased Premises, including, but not limited to, the sidewalk, shall be kept clean and free from snow, ice, dirt, stains and rubbish by Tenant, at Tenant's expense, to the satisfaction of Landlord. Tenant, at Tenant's expense, shall install and maintain fire extinguishers and other fire protection and detection devices as may be required from time to time by any agency having jurisdiction thereof and by the insurance underwriters insuring the Building in which the Leased Premises are located.

If Tenant does not promptly commence and thereafter diligently prosecute the aforesaid repairs, replacements and maintenance, Landlord may, upon ten (10) days' prior written notice to Tenant (except that Landlord shall not be required to give Tenant notice or an opportunity to make such repairs, replacements or maintenance in the event of an emergency), but need not, make such repairs, replacements and maintenance, and Tenant shall pay to Landlord as Additional Rent the cost thereof plus fifteen percent (15%) of the cost thereof to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from the involvement of Landlord or Landlord's agents with such work. Landlord may enter the Leased Premises at all reasonable times to make such repairs, alterations, improvements and additions to the Leased Premises or to the Building or to any equipment located in the Building as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental authority or court order or decree. No such entry or repairs by Landlord with reasonable notice (except in the event of an emergency, in which event no notice shall be required) shall be deemed or construed to constitute an eviction of Tenant or a termination of this Lease, or entitle Tenant to any abatement of rent therefor. Upon expiration of this Lease or upon termination as a result of other provisions in this Lease, Tenant shall yield and deliver the Leased Premises to Landlord in broom-clean condition and in good order, condition and repair (ordinary wear and tear excepted).

SECTION 10.03 ALTERATIONS BY TENANT: Tenant shall not make or cause to be made any alterations, additions or improvements to the Leased Premises, or install or cause to be installed any exterior signs, door covering, interior or exterior lighting, plumbing fixtures, shades, canopies or awnings, or make any changes to the mechanical, electrical or sprinkler systems without the prior written approval of Landlord. Tenant shall present to Landlord plans and specifications for such work at the time approval is sought. If Landlord allows Tenant to make any such alterations, additions or improvements, Tenant shall, at Tenant's sole cost and expense, make the same in accordance with all applicable laws and building codes, in a good and workmanlike manner and in quality equal to or better than the original construction of the Building and shall comply with such requirements as Landlord considers necessary or desirable, including without limitation, requirements as to the manner in which and the times at which such work shall be done, the contractor or subcontractors to be selected to perform such work and the adequacy of insurance coverage for liability and workmen's compensation. Tenant shall promptly pay all costs attributable to such alterations and improvements, and promptly repair any damage to the Leased Premises, Building or Property caused by virtue of any such alterations or improvements. Tenant shall be responsible for and shall pay to Landlord as Additional Rent, the entire amount of any real estate taxes attributable to any alterations, additions or improvements made by Tenant pursuant to this Section. All alterations, additions and improvements to the Leased Premises shall become a part of the Building and the property of Landlord, and shall not be removed by Tenant. Tenant shall be solely responsible for all the repair and maintenance of, related to or made necessary by Tenant's alterations, additions or improvements.

SECTION 10.04 TRADE FIXTURES: Tenant shall not cause any equipment or trade fixtures to be affixed or attached to the Leased Premises without the prior written consent of Landlord. Any trade fixtures installed on the Leased Premises by Tenant at Tenant's expense, such as movable partitions, equipment, counters, shelving, showcases, mirrors and the like, may (provided Tenant is not then in default), and shall, at the request of Landlord, be removed on the expiration or earlier termination of this Lease. Tenant shall bear the cost of such removal, and Tenant shall repair at Tenant's own expense any and all damage to the Leased Premises, Building and Property resulting from such removal. If Tenant fails to remove any and all such trade fixtures from the Leased Premises on the expiration or earlier termination of this Lease, all such trade fixtures shall become the property of Landlord unless Landlord elects to require their removal, in which case, said trade fixtures shall be removed at Tenant's expense and all damage resulting from such removal shall be repaired at Tenant's expense.

SECTION 10.05 SIGNS: Tenant shall have the right, at Tenant's expense, to place a sign on the exterior of the Leased Premises, provided, however, all interior signs visible from outside the Leased Premises and all exterior signs shall be subject to the prior written approval of Landlord, and shall be in compliance with all applicable laws and ordinances. Tenant shall, at Tenant's expense, maintain in good condition and repair any such sign that has been approved by Landlord. Tenant agrees to hold Landlord harmless from any loss, cost, or damage, and to repair any damage to the Property, resulting from the erection, maintenance, relocation or removal of Tenant's signs. Prior to vacating the Leased Premises, Tenant agrees, at Tenant's sole cost and expense, to remove all signs and repair all damage caused by such removal.

ARTICLE 11 - LIENS

SECTION 11.01 LIENS: If, because of any act or omission of Tenant or any person claiming by, through, or under Tenant, any mechanic's lien or other lien shall be filed against the Leased Premises or the Property or against other property of Landlord (whether or not such lien is valid or enforceable as such), Tenant shall, at Tenant's expense, cause the same to be discharged of record within ten (10) days after the date of filing thereof, and shall also indemnify Landlord and hold Landlord harmless from any and all claims, losses, damages, judgments, settlements, costs and expenses (including attorneys' fees) resulting therefrom or by reason thereof. Landlord may, but shall not be obligated to, pay the claim upon which such lien is based so as to have such lien released of record; and, if Landlord does so, then Tenant shall pay to Landlord, as Additional Rent, the amount of such claim, plus all costs and expenses incurred in connection therewith (including attorneys' fees).

ARTICLE 12 - TENANT'S TAXES; LOSS and DAMAGE; INDEMNIFICATION

SECTION 12.01 TENANT'S TAXES: Tenant shall pay before delinquency any and all taxes, assessments, fees or charges, including any sales, gross income, rental, business occupation or other taxes, levied or imposed upon Tenant's business operations in the Leased Premises and any personal property or similar taxes levied or imposed upon Tenant's trade fixtures, household improvements or personal property located within the Leased Premises. In the event any such taxes, assessments, fees or charges are charged to the account of, or are levied or imposed upon the property of Landlord, Tenant shall reimburse Landlord for the same as Additional Rent.

SECTION 12.02 LOSS and DAMAGE: All property of Tenant, or others, kept upon or in the Leased Premises shall be so kept or stored at the sole risk of Tenant, and Tenant shall hold Landlord harmless from any claims arising out of damages to the same, including subrogation claims by Tenant's insurance carrier(s), unless such damage shall be caused by willful neglect on the part of Landlord. Landlord shall not be liable for any damage either to person or property sustained by Tenant or other persons, or for damage or loss suffered by the business or occupation of Tenant due to the Property or any part thereof (including out of repair or arising from any act or neglect of other tenants or occupants of the Property, or of other employees or the employees of Landlord or of other persons, or from burning, seepage, overflowing or leaking of water, sewer, gas or steam pipes, or from the heating or plumbing fixtures, or from electric wires, or from gas or odors, or caused in any other manner whatsoever except in the case of willful neglect on the part of Landlord).

ARTICLE 13 - INSURANCE

SECTION 13.01 REQUIRED TENANT INSURANCE COVERAGE: Tenant shall carry and maintain, at all times during the Lease Term, at Tenant's sole cost and expense, comprehensive public liability insurance, including property damage or destruction, insuring Landlord and Tenant against liability for injury to persons or property occurring in or about the Leased Premises or arising out of the tenancy, use, maintenance, or occupancy of the Leased Premises. The limits of liability under such insurance shall not be less than the coverages specified in Section 2.14, and said limits shall be increased and additional risks insured from time to time as reasonably requested by Landlord or any mortgagee or other secured party of the Leased Premises. Such insurance policy or policies shall name Landlord and any other parties in interest designated by Landlord as additional insured, and shall provide that the policies may not be canceled or changed without first giving Landlord at least thirty (30) days prior written notice. The insurance shall be issued by one or more insurance companies acceptable to Landlord, and Tenant shall, prior to the Commencement Date of this Lease, furnish Landlord with Certificates of Insurance evidencing such coverage, together with evidence of the payment of all premiums therefor, and Tenant shall, within thirty (30) days prior to the expiration of any such insurance, deliver Certificates of Insurance evidencing the renewal or replacement of such insurance together with evidence of the payment of all premiums therefor. Should Tenant fail to carry such insurance or fail to furnish Landlord with such Certificates of Insurance or evidence of premium payment after request to do so, then in any of said events, Landlord, at Landlord's option, but with no obligation to do so, may, procure such insurance and collect the cost thereof from Tenant as Additional Rent.

SECTION 13.02 WAIVER OF SUBROGATION: Each party does hereby remise, release, and discharge the other party hereto, and any officer, agent, employee or representative of such party, of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty for which insurance (permitting waiver of liability and containing a waiver of subrogation) is carried by the injured party at the time of such loss, damage or injury to the extent of any recovery by the insured party under such insurance.

ARTICLE 14 - FIRE or OTHER CASUALTY

SECTION 14.01 DESTRUCTION OF LEASED PREMISES: If the Leased Premises are totally or partially damaged or destroyed by fire or other casualty or occurrence covered by insurance, the damage shall be repaired and the Leased Premises restored to the same condition immediately before such damage or destruction, by Landlord at Landlord's expense to the extent of insurance recovery; provided, however, in the event (i) such damage results from a cause not insured, or (ii) the cost of repair or restoration exceeds the amount of insurance proceeds received by Landlord and available for reconstruction of the Leased Premises, Landlord may elect to either repair/rebuild the Leased Premises or to terminate this Lease upon giving notice of such election in writing to Tenant within sixty (60) days after the occurrence of the event causing the damage. If Landlord elects to rebuild, Landlord shall rebuild within 180 days after the casualty (subject to causes of the type set forth in Section 21.02 and delays in the adjustment of insurance) only that part of the Leased Premises originally provided by Landlord at Landlord's expense, and Landlord shall have no responsibility to rebuild or restore any portion of the Leased Premises constructed by Tenant at Tenant's expense. If Landlord is required or elects to repair or rebuild the Leased Premises as herein provided, Tenant shall, at Tenant's expense, repair or replace Tenant's merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to the damage or destruction. The cost herein provided shall state (i) entirely if the entire Leased Premises are untenable, or (ii) prorated for the portion rendered untenable if only a part is untenable, until the same shall be restored to a reasonable condition; provided, however, if Tenant shall fail to adjust Tenant's own insurance or to remove Tenant's damaged goods, wares, equipment or property within a reasonable time and as a result thereof the repairing and restoration is delayed, there shall be no abatement of rental during the period of such resulting delay, and provided further that there shall be no abatement of rental if such fire or other cause damaging or destroying the Leased Premises shall result from the negligence or willful act of Tenant, or Tenant's agents, employees, or invitees.

SECTION 14.02 DESTRUCTION of PROPERTY: In the event that fifty percent (50%) or more of the leaseable area of the Property is damaged or destroyed by fire or other cause, notwithstanding that the Leased Premises may be unaffected by such fire or other cause, Landlord may terminate this Lease by giving Tenant thirty (30) days' prior written notice of Landlord's election to terminate, which notice shall be given within the first sixty (60) days following the date of said fire or other cause.

ARTICLE 15 - CONDEMNATION

SECTION 15.B. TOTAL CONDEMNATION OF PRIZES: If the whole of the Lease Prizes shall be taken or condemned either permanently or temporarily for any public or quasi-public use or purposes by any competent authority in appropriation proceedings or by any right of eminent domain or by agreement or conveyance in law thereof (each of the foregoing being hereinafter referred to as "Condemnation"), this Lease shall terminate as of the date possession shall be taken by such authority, and Towner shall pay rent and perform all of Towner's other obligations under this Lease up to such date with a proportionately reduced by amount of any rent which shall have been paid in advance for periods subsequent to such date.

SECTION 15.02 PARTIAL CONDEMNATION OF PREMISES: If less than all but more than twenty-five percent (25%) of the leasable space in the Leased Premises is taken by Condemnation, or if (regardless of the percentage of leasable space in the Leased Premises which is taken) the Leased Premises or the remainder thereof can not be used for Tenant's continued use or occupancy for Tenant's business, in the reasonable judgment of Landlord, then in either such event Landlord or Tenant shall have the right to terminate this Lease upon notice to the other party within sixty (60) days after possession is taken by such Condemnation. If this Lease is so terminated, it shall terminate as of the date possession shall be so taken, and Tenant shall pay rent and perform all other of Tenant's obligations under this Lease up to such date with a proportionate refund by Landlord of any over-rent which shall have been paid in advance for periods subsequent to such date. If this Lease is not terminated, it shall terminate only with respect to the parts of the Leased Premises so taken as of the date possession shall be taken by such authority, and Tenant shall pay rent up to such date with a proportionate refund by Landlord of any rent which shall have been paid in advance for periods subsequent to such date, and thereafter the Minimum Base Rent shall be reduced in direct proportion to the amount of leasable space of the Leased Premises taken and the compensation of all other amounts due from Tenant shall otherwise be adjusted, and Landlord agrees, at Landlord's cost and expense, as soon as reasonably possible to remove the remainder of the Leased Premises to a complete unit of similar quality and character as existed prior to such taking (to the extent possible); provided that Landlord shall not be required to expend more on such reconstruction than an amount equal to the condemnation award received by Landlord (less all expenses, costs and legal fees incurred by Landlord in connection with such award and less the portion of the award reasonably determined by Landlord to be attributable to any unimproved vacant land (and) multiplied by a fraction the numerator of which is the number of leasable space in the Leased Premises so taken and the denominator of which is the number of square feet of leasable space in the Property as taken.

SECTION 15.01 CONDEMNATION OF THE PROPERTY: If any part of the Property is taken by Condemnation as to or rendered, in Landlord's sole judgment, the remainder unsuitable for use as an office development, Landlord shall have the right to terminate this Lease upon notice to Tenant within 120 days after possession is taken by such Condemnation. If Landlord so terminates this Lease, the Lease shall terminate as of the date possession is taken by the condemning authority, and Tenant shall pay rent and perform all of Tenant's obligations under this Lease up to such date with a proportionate refund by Landlord of any rent which shall have been paid in advance for periods subsequent to such date.

SECTION 15.04. OWNERSHIP AWARD: As between Landlord and Tenant, all damages for any Contamination of all or any part of the Property, including without limitation all damages to compensation for diminution in value of the leasehold, severance and loss of the Leased Premises, and all improvements to the Leased Premises, shall belong to Landlord without any deduction therefrom for any present or future sums of Tenant, and Tenant hereby assigns to Landlord all Tenant's rights, title and interest in any such award. Although all damages in the event of any Contamination shall belong to Landlord regardless of whether such damages are awarded as compensation for diminution in value of the leasehold, severance or loss of the Leased Premises or improvements to the Leased Premises, Tenant shall have the right to claim and recover from the compensating authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant by reason of the Contamination and for any costs or loss which might occur in removing Tenant's merchandise, furniture and fixtures, provided that the effect of such award is not to reduce the award otherwise payable to Landlord.

ARTICLE 16 - ASSIGNMENT and SUBLETTING; ENCUMBRANCE

SECTION 16.01 ASSIGNMENT AND SUBLETTING. Tenant may not assign the Lease or sublet the Leased Premises or any part thereof, without the prior written consent of Landlord, which consent may be granted or withheld in the discretion of Landlord, which shall not be unreasonably withheld by the Landlord; and any attempted assignment or subletting without such consent shall be invalid. In the event of a permitted assignment or subletting, Tenant shall nevertheless at all times remain fully responsible and liable for the payment of rent and the performance and observance of all obligations of Tenant under the terms, conditions and covenants of this Lease. The consent of Landlord to any one assignment or sublease purporting hereto shall not be deemed to be a waiver of the provisions of this Section with respect to any subsequent assignment or sublease. No assignment or subletting of the Leased Premises or any part thereof shall be binding upon Landlord unless such assignment or subletting shall deliver to Landlord as instruments (on recordable form, if requested) constituting an agreement of assumption of all of Tenant's obligations under this Lease. In the event Tenant shall assign this Lease or sublease, the Leased Premises for term or other consideration in course of the rent payable hereunder, Landlord shall receive all such excess rent or other consideration at Additional Rent hereunder. The assignment or subletting shall be required to make all payments to Landlord and Landlord shall thereafter, in a prompt manner, remit to Tenant any amount that may be due Tenant. Tenant, shall, concurrently with the execution and delivery of any such permitted assignment or sublease, deliver a duplicate original thereof to Landlord. A change in the beneficial or record ownership of any class of capital stock of Tenant, a transfer of partnership interests of the beneficial interest in Tenant, and a sale of substantially all of Tenant's assets to one purchaser, shall all be treated as and deemed to be an event of assignment of this Lease within the foregoing provisions of this Section, if the effect of same shall be to result in a change of management or control of Tenant. Landlord has retained the prior right of consent to proposed assignment or sublease for several substantial business and safety reasons which were considerations for Landlord entering into this Lease and the foregoing prohibition on assignment or subletting is expressly agreed to by Tenant as an inducement to Landlord to lease to Tenant. Landlord may, at its sole discretion, refuse to give its consent to any proposed assignment or sublease for any reason, including, but not limited to Landlord's determination that Landlord's interests in the Lease or the Leased Premises would be adversely affected by (i) the financial condition, credit worthiness or business reputation of the proposed assignee or subtenant, (ii) the proposed use of the Leased Premises by, business of, the proposed assignee or subtenant, and (iii) the ability and likelihood of the proposed assignee or subtenant to pay all rents and other amounts due hereunder. If Landlord refuses to give its consent to any proposed assignment or subletting, Landlord may, at its option, within thirty (30) days after receiving notice of the proposed, terminate this Lease by giving Tenant thirty (30) days prior written notice of such termination, whereupon each party shall be released from all further obligations and liability hereunder. Landlord consents to the subletting arrangement with Hotfield's, Inc.

SECTION 16.02 ENCUMBRANCE: Neither this Lease nor the Lease Term shall be mortgaged, pledged or encumbered by Tenant, nor shall Tenant mortgage, pledge or encumber the interest of Tenant in and to any sublease of the Leased Premises or the rental payable hereunder, without the prior written consent of Landlord, which consent may be granted or withheld in the sole discretion of Landlord, as it deems appropriate. No assignment or subassignment of this Lease or any interest hereunder by operation of law. Any such mortgage, pledge, encumbrance, sublease or assignment made in violation of this Section shall be void. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall at the option of Landlord terminate all other existing franchises, concessions, licenses, permits, subleases, sublicenses, departmental operating arrangements or the like, or may at the option of Landlord operate as an assignment to Landlord of the HMO.

ARTICLE 17 - TRANSFERS by LANDLORD

SECTION 17.01 SALE and CONVEYANCE OF THE PROPERTY: Landlord shall have the right to sell and convey the Property at any time during the Lease Term, subject only to the rights of Tenant hereunder; and such sale and conveyance shall operate to release Landlord from liability hereunder after the date of such conveyance as provided in Section 18.06.

SECTION 17.01 SUBORDINATION: Tenant's rights under this Lease are and shall always be subordinate in the operation and effect of any mortgage, deed of trust, land contract, ground lease or master lease now or hereafter placed by Lendlord upon or governing the Property ~~hereinafter described~~

or any part or parts thereof. This clause shall be self-operative, and no further instrument of subordination shall be required. Tenant agrees that upon the request of Landlord, any mortgage, lease or other secured party, Tenant shall execute whatever instruments may be required to confirm the subordination of this Lease. Notwithstanding the foregoing, no default by Landlord under any such mortgage, deed of trust, lease contract, ground lease or master lease shall affect Tenant's rights hereunder so long as Tenant is not in default under this Lease.

SECTION 17.03 ATTORNEY: In the event any proceedings are brought for the foreclosure of, or in the event of the conveyance by deed in lieu of foreclosure of, or in the event of exercise of the power of sale under, any mortgage or lease contract made by Landlord covering the Leased Premises, Tenant hereby agrees to and covenants and agrees to execute an instrument in writing reasonably satisfactory to the new owner whereby Tenant agrees to such mortgage in interest and recognizes such successor as the Landlord under this Lease.

SECTION 17.04 ESTIMATE CERTIFICATE: Tenant shall, within ten (10) days following receipt of a written request from Landlord, execute, acknowledge and deliver to Landlord or to any lender, purchaser, prospective lender or purchaser, or other party designated by Landlord, a written statement certifying (if true), including without limitation, the following: (a) that Tenant is in full and complete possession of the Leased Premises, such possession having been delivered by Landlord and accepted by Tenant; (b) that any improvements required to be furnished by Landlord by the terms of this Lease have been completed in all respects to the satisfaction of Tenant; (c) that this Lease is in full force and effect and has not been amended, modified, supplemented or superseded except as specifically noted; (d) that there is no existing default on the part of Landlord in the performance of any covenant, agreement or condition contained in this Lease to be performed by Landlord; (e) that Tenant does not have any actual or pending claims against Landlord; (f) that no suits or other charges have been brought by Tenant; (g) that the addressee of said certificate may rely on the representations therein made by Tenant; and (h) certifying as to the dates of commencement and termination of the Lease Term, the date on which rents commenced to accrue under this Lease, and the date through which rents and other charges hereunder have been paid. Tenant's failure to deliver such statement within such period shall be an event of default by Tenant under this Lease and shall be conclusive evidence that (i) this Lease is in full force and effect and unmodified, (ii) that there are no secured defaults in Landlord's performance hereunder, and (iii) that not more than one month's rent has been paid in advance; and Tenant shall be estopped from asserting any defaults known to Tenant at that date.

ARTICLE 18 - DEFAULTS and REMEDIES

SECTION 18.01 DEFAULTS BY TENANT: The occurrence of any one or more of the following events shall be a default under and breach of this Lease by Tenant:

- Tenant (i) fails to pay, within fifteen (15) days after the same is due, any monthly installment of Minimum Base Rent or any other amounts due Landlord from Tenant as Additional Rent, rent or otherwise, or (ii) Tenant fails on three (3) or more occasions to pay its rent or other charges due hereunder in full within fifteen (15) days after the same is due (these instances need not necessarily be consecutive).
- Tenant fails to perform or observe any term, condition, covenant or obligation required to be performed or observed by Tenant under this Lease for a period of thirty (30) days after notice thereof from Landlord; provided, however, that if the term, condition, covenant or obligation to be performed by Tenant is of such nature that the same can not reasonably be performed within such thirty-day period, such default shall be deemed to have been cured if Tenant commences such performance within said thirty-day period and thereafter diligently undertakes to complete the same and does so complete the required action within a reasonable time not to exceed ninety (90) days after said notice.
- Tenant vacates or abandons the Leased Premises for any period during the Lease Term; or fails to take possession of the Leased Premises when possession is tendered by Landlord; or fails to submit plans or other information necessary for Landlord to complete the Tenant Improvements set forth in Exhibit "C".
- A trustee or receiver is appointed to take possession of substantially all of Tenant's assets in, on or about the Leased Premises or of Tenant's interest in this Lease; or Tenant makes an assignment for the benefit of creditors; or substantially all of Tenant's assets in, on or about the Leased Premises or Tenant's interest in this Lease are attached or levied under execution.
- A petition in bankruptcy, insolvency, or for reorganization or arrangement is filed by or against Tenant pursuant to any federal or state statute.

SECTION 18.02 REMEDIES OF LANDLORD: Upon the occurrence of any event of default set forth in Section 18.01, Landlord shall have the following rights and remedies, in addition to those allowed by law, any one or more of which may be exercised without further notice to or demand upon Tenant:

- Landlord may apply the Security Deposit or re-enter the Leased Premises and cure any default of Tenant, in which event Tenant shall reimburse Landlord an Additional Rent for any costs and expenses which Landlord may incur to cure such default; and Landlord shall not be liable to Tenant for any loss or damage which Tenant may sustain by reason of Landlord's action, regardless of whether caused by Landlord's negligence or otherwise.
- Landlord may sue for injunctive relief or to recover damages for any loss resulting from Tenant's default.
- Landlord may terminate this Lease as of the date of such default, in which event (i) neither Tenant nor any person claiming under or through Tenant shall thereafter be entitled to possession of the Leased Premises, and Tenant shall immediately thereafter surrender the Leased Premises to Landlord; (ii) Landlord may re-enter the Leased Premises and dispose of Tenant or any other occupants of the Leased Premises by any means permitted by law, and may remove their effects, without prejudice to any other remedy which Landlord may have for possession or arrears in rent; and (iii) notwithstanding the termination of this Lease, Landlord may declare all rent which would have been due under this Lease for the balance of the Lease Term to be immediately due and payable, whereupon Tenant shall be obligated to pay the same to Landlord, together with all loss or damage which Landlord may sustain by reason of such termination, it being expressly understood and agreed that the liabilities and remedies specified in this Subsection C.1. of Section 18.02 shall survive the termination of this Lease; or
 - Landlord may, without terminating this Lease, re-enter the Leased Premises and re-let all or any part of the Leased Premises for a term different from that which would otherwise have constituted the balance of the Lease Term and for rent and on terms and conditions different from those contained herein, whereupon Tenant shall be obligated to pay to Landlord as liquidated damages the difference between the rent provided herein and that provided for in any lease covering a subsequent re-letting of the Leased Premises, for the period which would otherwise have constituted the balance of the Lease Term, together with all of Landlord's reasonable costs and expenses for preparing the Leased Premises for re-letting, including all repairs, tenant finish improvements, brokers' and attorneys' fees, and all loss or damage which Landlord may sustain by reason of such re-letting and re-letting. Re-entry or taking possession of the Leased Premises by Landlord pursuant to this Subsection C.2. of Section 18.02 shall not be construed as an election to terminate this Lease unless written notice of such intention is given to Tenant or decreed by a court of competent jurisdiction. Notwithstanding any re-letting without termination by Landlord because of Tenant default, Landlord may at any time after such re-letting elect to terminate this Lease for such default.

SECTION 18.03 CUMULATIVE REMEDIES: All rights and remedies of Landlord shall be cumulative, and none shall be exclusive of any other rights or remedies allowed by law, in equity, by statute, or by the terms of this Lease.

SECTION 18.04 LANDLORD DEFAULT and TENANT'S REMEDIES: It shall be a default under and breach of this Lease by Landlord if Landlord shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by Landlord under this Lease for a period of thirty (30) days after notice thereof from Tenant; provided, however, that if the term, condition, covenant or obligation to be performed by Landlord is of such nature that the same cannot reasonably be performed within such thirty-day period, such default shall be deemed to have been cured if Landlord commences such performance within said thirty-day period and thereafter diligently undertakes to complete the same. Upon the occurrence of any such default, Tenant may sue for injunctive relief or to recover damages for any loss resulting from the breach, but Tenant shall not be entitled to terminate this Lease or withhold or abate any rent due hereunder.

SECTION 18.05 NON-WAIVER OF DEFAULTS: The failure or delay by either party hereto to exercise or enforce at any time any of the rights or

remedies or other provisions of this Lease shall not be construed to be a waiver thereof, nor affect the validity of any part of this Lease or the rights of either party thereafter to exercise or enforce each and every such right or remedy or other provision. No waiver of any default and breach of the Lease shall be deemed to be a waiver of any other default and breach. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval of Landlord to, or of, any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to, or of, any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord. No act or omission by Landlord or its employees or agents during the term of this Lease shall be deemed an acceptance of a surrender of the Leased Premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by Landlord.

SECTION 18.06 LEGAL EXPENSES In the event Tenant defaults in the performance or observance of any of the terms, conditions, covenants or obligations contained in this Lease and Landlord employs attorneys to enforce all or any part of this Lease, collect any rent due or to become due, or recover

LEASE EXTENSION

This agreement shall amend and extend the Lease dated October 30, 1995, by and between DTN Management Co., agent for Everett Plaza Associates, a Michigan Partnership ("Landlord") and City of Lansing ("Tenant") for the Leased Premises at 3400 S. Cedar Street, Suite 100, Lansing, Michigan 48910.

WHEREAS, both parties wish to extend the Lease under the following terms:

TERM: The Lease shall be extended Five (5) years, beginning April 1, 2000 and ending March 31, 2005.

MINIMUM BASE RENT: Tenant agrees to pay Landlord as "Minimum Base Rent" for the Leased Premises the total sum of Six Hundred Eighty One Thousand Two Hundred Thirty and 00/100 Dollars (\$681,230.00), payable in consecutive monthly installments of Eleven Thousand Three Hundred Fifty Three and 83/100 Dollars (\$11,353.83).

CONSUMERS PRICE INDEX ADJUSTMENT: The monthly installment of Minimum Base Rent shall be increased annually by reference to the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (CPI-U) (1982-84 = 100) (the "Index"). "Base Index" is hereby defined as the Index published for the month of March. "Adjustment Month" is hereby defined as the month of March, and the first Adjustment month is April 2000.

All other terms and conditions of the Lease shall remain in full force and effect.

Signed and agreed to this _____ day of _____, 2000.

LESSOR:
DTN Management Co., agent for
Everett Plaza Associates

LESSOR:
City of Lansing

LEASE EXTENSION

This agreement shall amend and extend the Lease dated October 30, 1995, by and between DTN Management Co., agent for Everett Plaza Associates, a Michigan Partnership ("Landlord") and City of Lansing ("Tenant") for the Leased Premises at 3400 S. Cedar Street, Suite 100, Lansing, Michigan 48910.

WHEREAS, both parties wish to extend the Lease under the following terms:

TERM: The Lease shall be extended Five (5) years, beginning April 1, 2000 and ending March 31, 2005.

MINIMUM BASE RENT: Tenant agrees to pay Landlord as "Minimum Base Rent" for the Leased Premises the total sum of Six Hundred Eighty One Thousand Two Hundred Thirty and 00/100 Dollars (\$681,230.00), payable in consecutive monthly installments of Eleven Thousand Three Hundred Fifty Three and 83/100 Dollars (\$11,353.83).